



MONTHLY OPERATING REPORT – MAY 2020

June 24, 2020

COREMEDIA

1 Executive Summary

EXECUTIVE SUMMARY

Revenues & EBITDA notably above plan. License Sales trending below plan for Q2 and stronger for Q3 & Q4. Preparing investments above RC to secure growth in 2021.

Core business is stable

- > No disruption of operations
- > All SLAs fulfilled
- > Improved utilization of consulting services
- > Low churn

Tough market...

- > Multiple sales projects in early phases got delayed
- > In the short term, new logo wins harder to come by
- > US Sales significant below expectations

...with opportunities for growth

- > Lead Generation has significantly improved
- > New Pricing strategies make us more competitive
- > VF Corp win improves our standing in the Salesforce ecosystem
- > Re-hire Sales Lead in the UK (Jay Pal)
- > Commercetools Partnership & Integration

...and challenges

- > Partner Enablement continues to be a challenge

Focus on securing growth in 2021 and beyond

- > Potentially switching gears in Q3
- > Must balance investments with internal expectations on pay/incentive

Potential investments based on current trajectory

- > Strengthen Partner Enablement
- > Strengthen Sales team
- > Multi-tenant SaaS Transition
- > Loosen strict hiring freeze

M&A considerations

- > Add customer data platform capabilities
 - > Tag & Consent Management
 - > Tracking & Omni-Channel Profiles
 - > Real-time Segmentation
- > Fast-track 1st Party Data Use Cases, Up- & Cross-Selling
- > Target: Commanders Act, France

EXECUTIVE SUMMARY

Revenue, ARR and EBITDA in May YTD above plan; Closed upsell; Tough negotiations with new logos; Consulting utilization higher than planned; 2H sales pipeline is encouraging

Actual YTD

Revenue (4.8%=€401k) and ARR (5%=€800k) above Budget (B) especially due to

- > Consulting +15% = 266k
- > Maintenance & Support +3,8% = 120k
because of less cancellations and extended support upsells

Sales new ACV below PY2019 and Budget2020 1H so far

- > 2020 Budget 1H €1,353k vs. Actuals YTD May €272k: delta -1,081k
- > YTD May PY2019 €586k vs. Actuals YTD May 2020 €272k: delta -314k

Consulting/Training revenue YTD €2m, €266k above Budget

- > Consulting revenue increase from €313k in January to €431k in March and stable with €419k in April and 397k in May
- > Still 100% remote work

Cash better than planned due to

- > Better results
- > Active cash management works: DSO better than budget, strong stretch of DPOs of large vendors (e.g. consultants)

Forecast

Q2 Sales with €0.7m - €0.8m ACV (Plan: €1.24m)

- > Negotiations with VF Corp moving forward for 14 month €217k ACV MVP phase (52% margin). Projection for full rollout is €73K per month (73% margin)
- > Other top deals still to close include Luxottica €157k, Hamburg.de €170k

Q2 Consulting revenue expected at €1,119k to 1,129k, above €900k budget

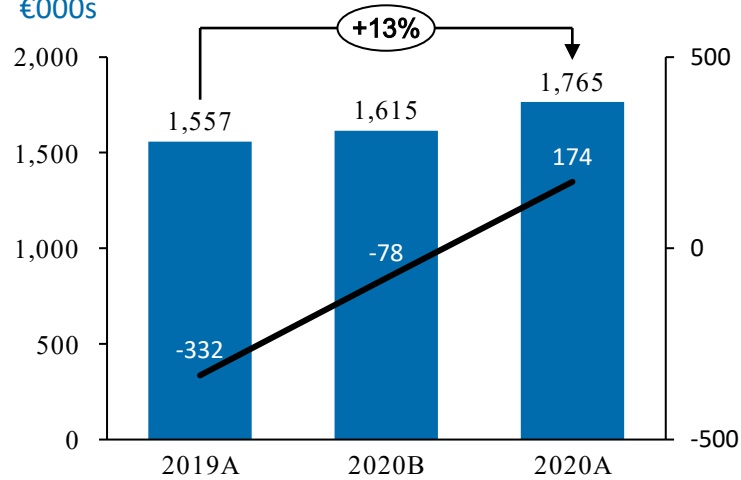
- > Solid backlog of signed work

Q3 Outlook

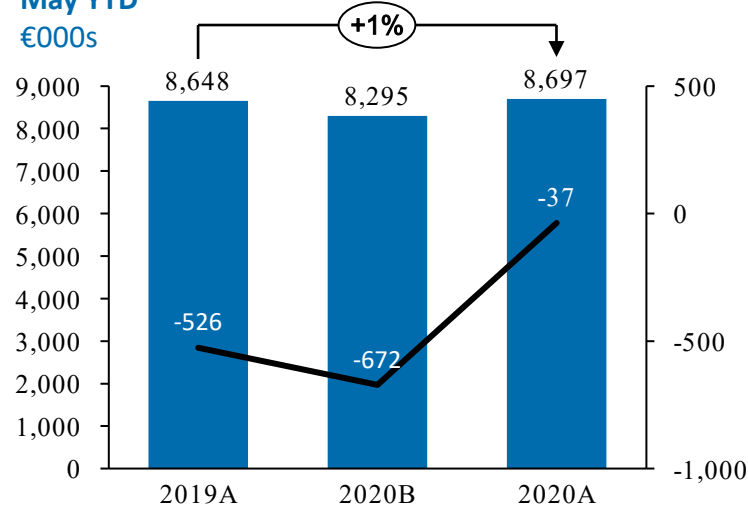
- > Q3 pipeline holds €1M pipeline of higher-probability revenue, which points to ability to make up YTD gap
- > Revised Q3 “Must Make” target is €795K (€354K is original Q3 budget) to make up for 1H shortfall

MONTHLY FINANCIAL METRICS*

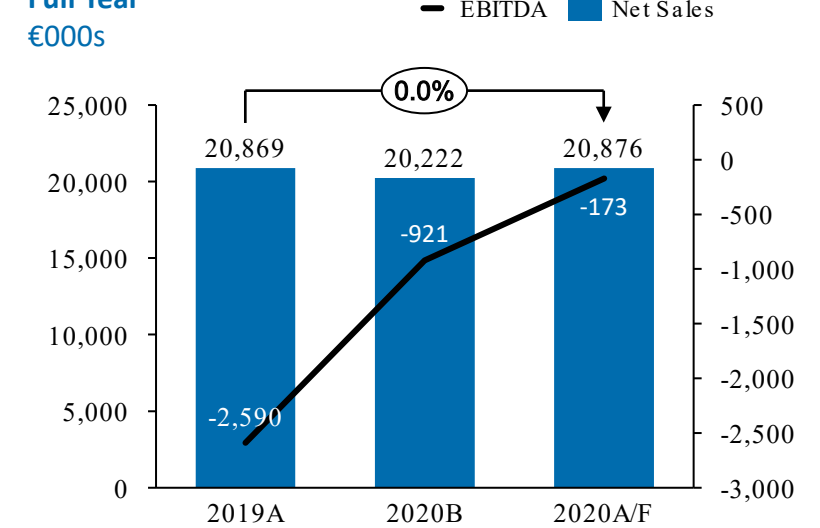
May MTD
€000s



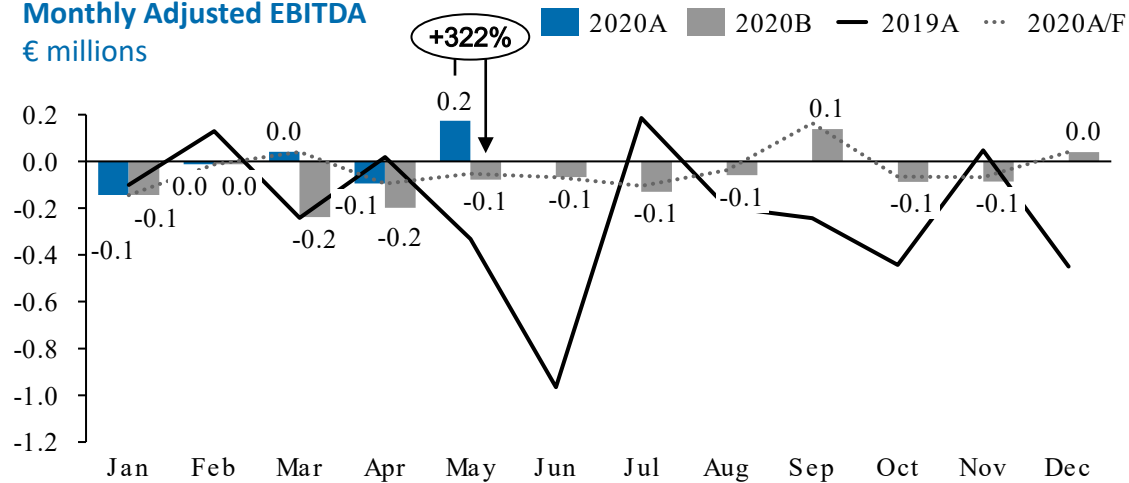
May YTD
€000s



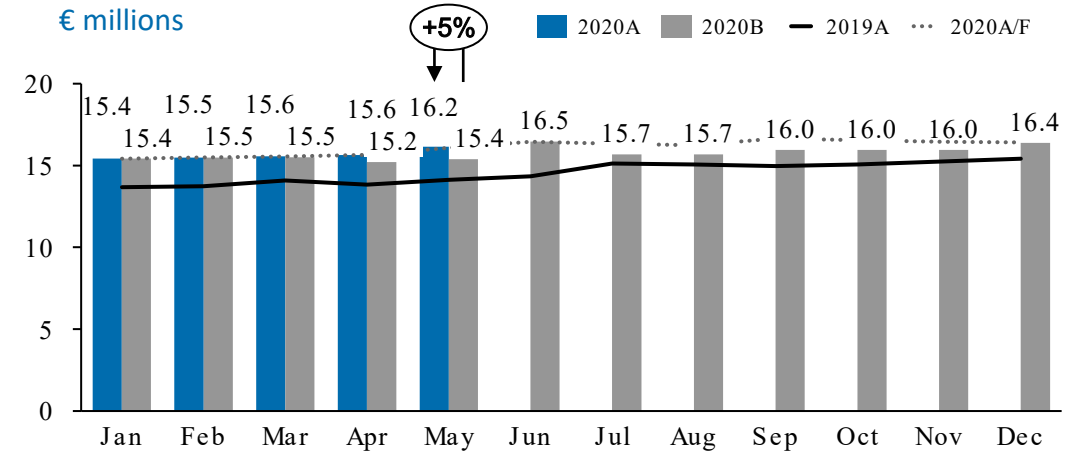
Full Year
€000s



Monthly Adjusted EBITDA
€ millions



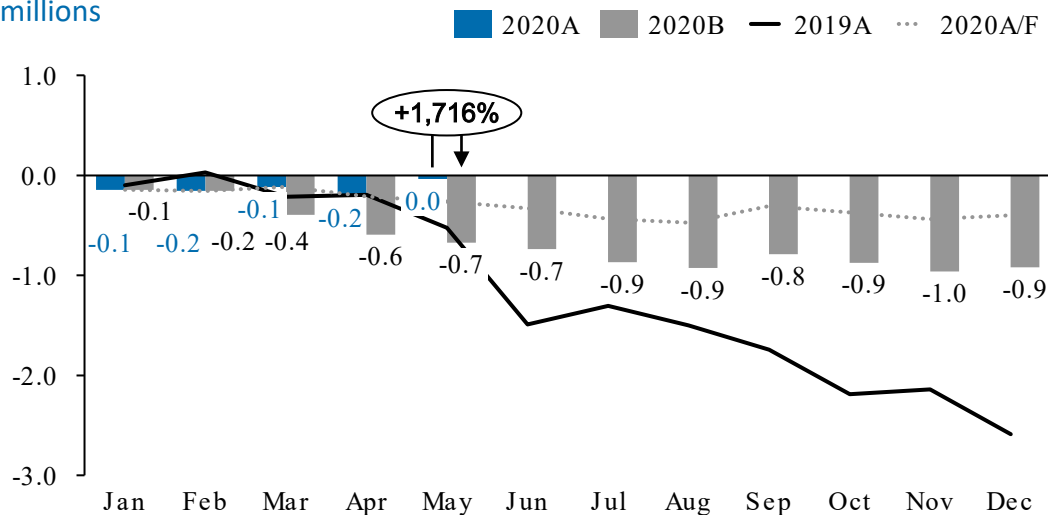
Monthly ARR
€ millions



MONTHLY FINANCIAL METRICS*

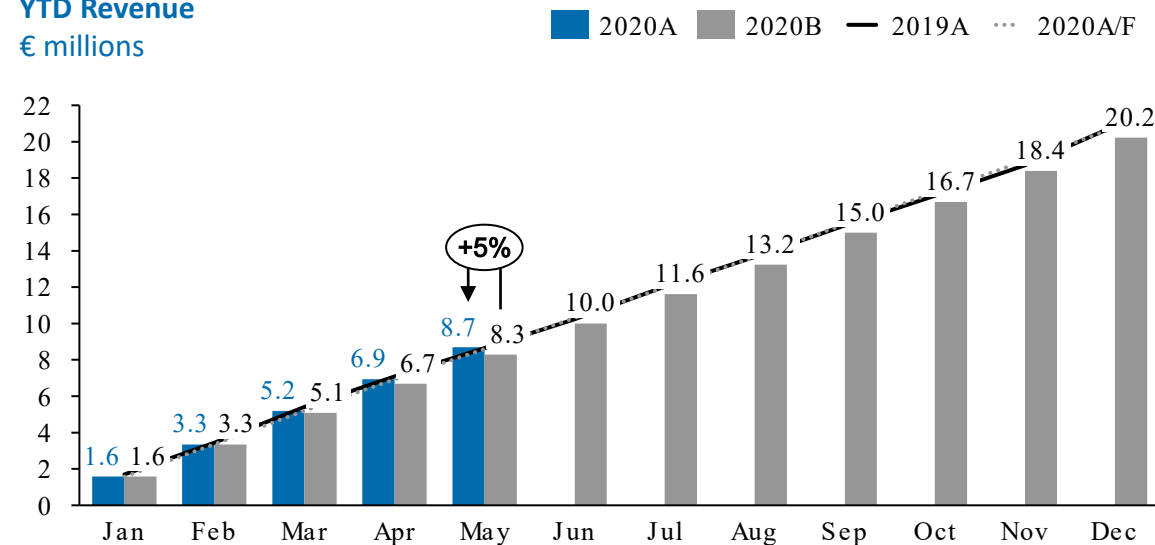
YTD Adjusted EBITDA

€ millions



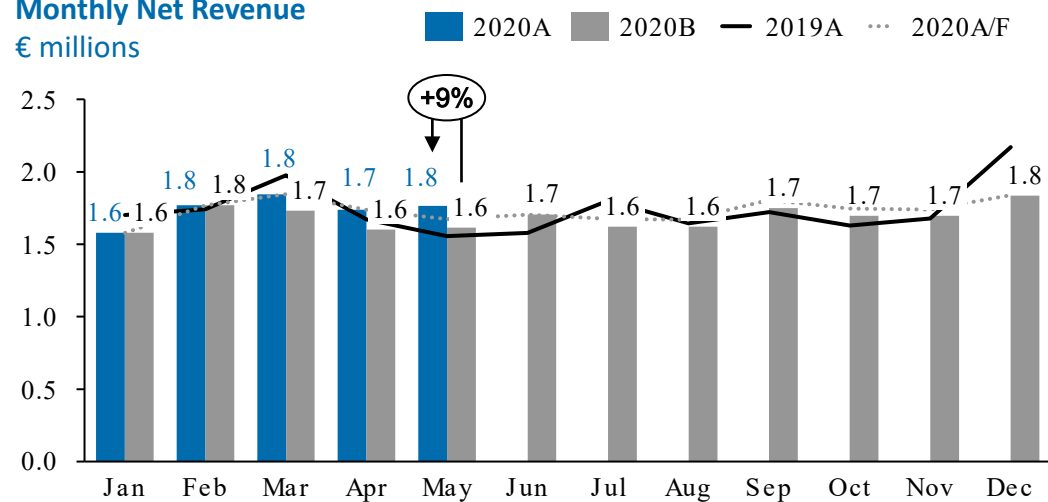
YTD Revenue

€ millions



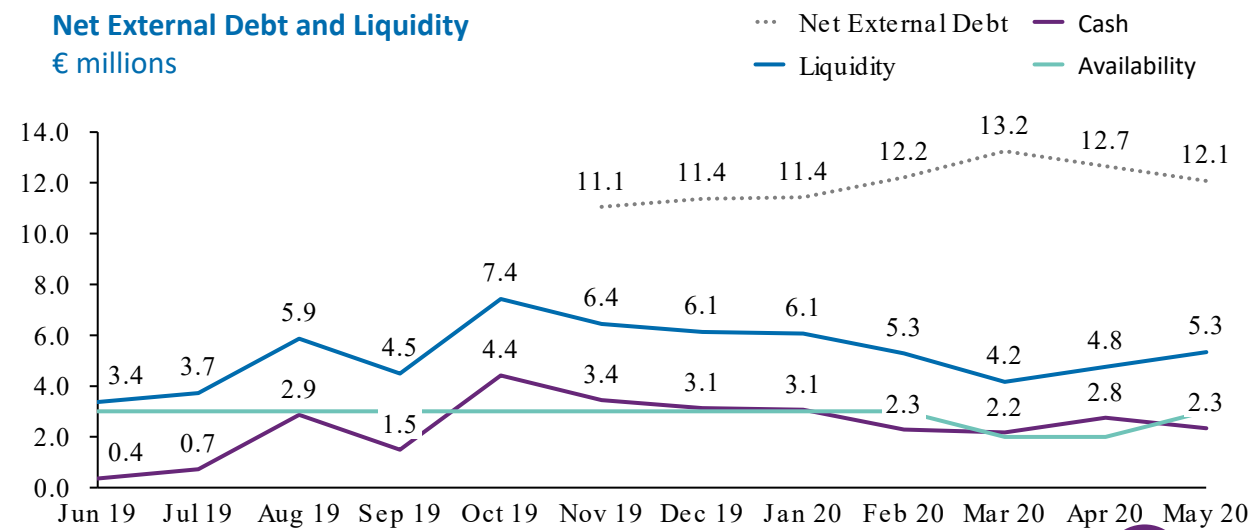
Monthly Net Revenue

€ millions



Net External Debt and Liquidity

€ millions



2 Financials

SUMMARY P&L – MAY YTD

Revenues 402k, Adjusted EBITDA 635k better than budget

	YTD		Variance			YTD		Variance			PY YTD		Variance	
	Actual	Budget	EUR	%		AOP	EUR	%			Actual	EUR	%	
Recurring revenues	6.536.742	6.406.880	129.862	2,0%		6.427.612	109.131	1,7%			5.801.935	734.807	12,7%	
Subscription	2.667.883	2.676.950	(9.067)	-0,3%		2.686.783	(18.900)	-0,7%			2.078.232	589.651	28,4%	
Cloud	581.337	562.584	18.753	3,3%		574.236	7.101	1,2%			291.341	289.996	99,5%	
Maintenance & Support	3.287.523	3.167.346	120.177	3,8%		3.166.593	120.930	3,8%			3.432.363	(144.840)	-4,2%	
Non-recurring revenues	2.159.830	1.888.160	271.670	14,4%		2.172.952	(13.122)	-0,6%			2.845.864	(686.035)	-24,1%	
Perpetual license revenues	73.500	73.500	-	0,0%		56.763	16.737	29,5%			341.118	(267.618)	-78,5%	
Consulting & Training	2.024.027	1.757.742	266.285	15,1%		2.059.272	(35.245)	-1,7%			2.451.995	(427.968)	-17,5%	
Partner Subscription	62.303	56.918	5.385	9,5%		56.918	5.385	9,5%			52.752	9.551	18,1%	
Revenues	8.696.572	8.295.040	401.533	4,8%		8.600.564	96.008	1,1%			8.647.800	48.772	0,6%	
Capitalised services	-	-	-	0,0%		-	-	0,0%			(89.922)	89.922	100,0%	
Other income	125.293	36.935	88.357	239,2%		36.935	88.357	239,2%			33.576	91.717	273,2%	
External services	(186.049)	(231.971)	45.922	19,8%		(237.797)	51.748	21,8%			(29.728)	(156.321)	-525,8%	
Gross Profit	8.635.816	8.100.004	535.812	6,6%		8.399.702	236.114	2,8%			8.561.725	74.090	0,9%	
Gross Margin %	99,3%	97,6%	1,7%			97,7%	1,6%				99,0%	0,3%		
OPEX	(8.692.258)	(8.525.590)	(166.667)	-2,0%		(9.118.787)	426.529	4,7%			(9.152.146)	459.889	5,0%	
Product Invest	-	-	-			-	-				-	-		
CM Projects	(51.147)	(61.000)	9.853	16,2%		(61.000)	9.853	16,2%			-	(51.147)	0,0%	
Consulting	(246.619)	(232.569)	(14.049)	-6,0%		(903.657)	657.039	72,7%			-	(246.619)	0,0%	
Audit & Finance	(391.099)	(543.265)	152.166	28,0%		-	(391.099)	0,0%			-	(391.099)	0,0%	
SVB Fees	-	(7.500)	7.500	100,0%		(7.500)	7.500	100,0%			-	-	0,0%	
Reported EBITDA	(745.306)	(1.269.921)	524.615	41,3%		(1.691.243)	945.937	55,9%			(590.421)	(154.885)	-26,2%	
EBITDA Addbacks	708.304	597.832	110.471	18,5%		754.157	(45.854)	-6,1%			64.415	643.889	999,6%	
Adjusted EBITDA	(37.002)	(672.089)	635.087	94,5%		(937.085)	900.083	96,1%			(526.006)	489.003	93,0%	
Adjusted EBITDA %	-0,4%	-8,1%	7,7%			-10,9%	10,5%				-6,1%	5,7%		
Change in Deferred Revenue	1.588.596	820.758	767.837	93,6%		900.432	688.164	76,4%			1.176.908	411.688	35,0%	
Adjusted Cash EBITDA	1.551.594	148.670	1.402.924	943,7%		(36.653)	1.588.247	4333,2%			650.902	900.692	138,4%	

MD&A

Revenue

- Recurring revenue on track due to less Maintenance & Support churn and extended support, but soft new bookings
- Consulting and Training above plan due to better sale of consulting than expected during COVID19 plan

Reported EBITDA

- Audit/Finance lower than Budget due to delay of IFRS project because of AOP/COVID19 plan

OPERATING EXPENSE – MAY YTD

Operating Expenses 167k (2%) worse than budget due to multiple reasons

	YTD		Variance		YTD AOP	Variance		PY YTD Actual	Variance	
	Actual	Budget	EUR	%		EUR	%		EUR	%
Personnel Costs excl. holiday accrual and excl. severance	(6.494.344)	(6.384.190)	(110.154)	-1,7%	(6.657.848)	163.504	2,5%	(6.189.570)	(304.774)	-4,9%
Holiday accrual	(117.688)	-	(117.688)	0,0%	-	(117.688)	0,0%	-	(117.688)	0,0%
Severance Corporation	(62.740)	-	(62.740)	0,0%	-	(62.740)	0,0%	-	(62.740)	0,0%
Premises	(344.865)	(371.532)	26.667	7,2%	(386.714)	41.848	10,8%	(378.710)	33.845	8,9%
Taxes, Insurance, Contribution	(117.688)	(131.568)	13.879	10,5%	(131.568)	13.879	10,5%	(116.248)	(1.440)	-1,2%
Automobile	(12.851)	(17.877)	5.025	28,1%	(17.877)	5.025	28,1%	(27.554)	14.702	53,4%
Marketing	(469.379)	(592.349)	122.970	20,8%	(620.966)	151.587	24,4%	(763.365)	293.986	38,5%
Travel expenses	(228.035)	(243.820)	15.786	6,5%	(426.437)	198.402	46,5%	(411.780)	183.745	44,6%
Communication, office equipm.	(47.822)	(59.404)	11.582	19,5%	(59.404)	11.582	19,5%	(62.716)	14.894	23,7%
Consulting	(266.845)	(191.506)	(75.340)	-39,3%	(218.462)	(48.383)	-22,1%	(638.558)	371.712	58,2%
Professional training	(44.577)	(28.295)	(16.282)	-57,5%	(42.636)	(1.940)	-4,6%	(32.076)	(12.500)	-39,0%
Recruitment	(22.031)	(46.117)	24.086	52,2%	(68.910)	46.879	68,0%	(16.672)	(5.359)	-32,1%
Bad debt	50.068	55.843	(5.775)	-10,3%	55.843	(5.775)	-10,3%	-	50.068	0,0%
Software	(328.049)	(340.567)	12.518	3,7%	(354.767)	26.718	7,5%	(369.920)	41.871	11,3%
Leasing	(43.917)	(54.032)	10.115	18,7%	(54.032)	10.115	18,7%	(55.388)	11.471	20,7%
Other costs	(141.495)	(120.178)	(21.317)	-17,7%	(135.010)	(6.484)	-4,8%	(89.588)	(51.907)	-57,9%
Operating Costs	(8.692.258)	(8.525.590)	(166.667)	-2,0%	(9.118.787)	426.529	4,7%	(9.152.146)	459.889	5,0%

MD&A

- Personnel expenses excl. holiday accruals and severance 2% above B because of higher than planned variable payment for MSC and UFR 35k, retro payment for medicare in US 30k, placement fees for the Corp. 17k, 20k more project commission for consultants
- Accruals for vacation with 118k; action taken to reduce until end of FY
- Consulting higher e.g. due to one unexpected bill from a former lawyer €30k and an external KAM (Livia Dubos)
- Marketing costs reduced due to postponement of measures
- Recruitment 52% below B because strongly reduced activities

ARR & RETENTION COMPARISON VS. PREVIOUS YEAR

Good Net Retention Rate vs. previous periods

	Jan 20	Feb 20	Mar 20	Apr 20	Mai 20
customer end of prev year	116	116	117	117	118
new customer	8	8	7	8	7
churned customer	-6	-6	-6	-6	-6
customer end of year	118	118	118	119	119
churn rate # customer	5%	5%	5%	5%	5%

€000	202001	202002	202003	202004	202005
ARR total	15.424.935	15.493.207	15.563.417	15.651.577	16.139.356
delta versus previous year	1.759.710	1.770.044	1.474.012	1.815.309	2.023.972
churn customer (versus previous year)	-398.547	-399.436	-400.139	-401.050	-401.443
downsell (versus previous year)	-969.059	-966.949	-959.874	-736.460	-759.137
new (versus previous year)	875.999	883.852	825.705	909.122	747.381
upsell (versus previous year)	2.114.439	2.110.662	1.931.164	1.950.281	2.405.317
FX effects (versus previous year)	135.571	138.997	72.901	89.724	8.586
Other effects (< 1kEUR) (versus previous year)	1.307	2.917	4.254	3.692	23.269

Variance to prior year:

- Churn includes AAMC (-157,5T€) and Holtzbrinck (-127,9T€)
- Downsell includes Esprit [change from TBL to cloud] (-181,8T€); G+J (-134,9T€); Haspa (-105,8T€) and Kaba (-92,8T€)
- New customer includes Under Amour (271,7T€) and Archant (250T€)
- Upsell Jan. Bundeswehr (274,5T€); Esprit [change from TBL to cloud] (208,6T€) and Materna (180,4T€)
- FX/other effects based on exchange rates and effects < 1kEUR

ARR DEVELOPMENT

UPSELL VS. EXTENDED SUPPORT




Extended support has major impact on ARR development – not sustainable

customer (Palo)	customer (Kundestruktur)	revenue element	202004	202005	Var	Reason
Barmer Ersatzkasse	Barmer Ersatzkasse	TBL	8.353,80	89.418,60	81.065	upsell
Bundespresseamt	Bundespresseamt	SUPSUB	66.953,28	83.693,28	16.740	ext. Support
DAK Hamburg	DAK Hamburg	SUPSUB	174.109,20	217.597,32	43.488	ext. Support
Deutscher Bundestag	Deutscher Bundestag	SUPSUB	12.594,96	15.743,76	3.149	ext. Support
DIN Deutsches Institut für Normung	DIN Deutsches Institut für Normung	SUPSUB	28.030,44	34.998,84	6.968	ext. Support
Esprit		CMOC	208.572,24	282.771,72	74.199	upsell (Phase II)
Finnair	Finnair	SUPSUB	52.179,12	66.165,48	13.986	ext. Support
Hansenet	Hansenet	SUPSUB	109.650,48	150.605,04	40.955	ext. Support
Haufe	Haufe	SUPSUB	55.124,04	68.827,92	13.704	ext. Support
HeLaBa	HeLaBa	SUPSUB	44.878,44	56.035,08	11.157	ext. Support
Henkel	Henkel	SUPSUB	65.507,04	81.389,28	15.882	ext. Support
Mainova	Mainova	SUPSUB	27.686,16	34.568,88	6.883	ext. Support
O2	O2	SUPSUB	253.591,68	316.634,76	63.043	ext. Support
PVH Corp.	PVH Corp.	SUPSUB	173.199,37	218.803,25	45.604	ext. Support
REHAU	REHAU	SUPSUB	19.455,60	24.292,20	4.837	ext. Support
SSI Schäfer	SSI Schäfer	TBL		13.010,40	13.010	upsell
Tractor Supply Company	Tractor Supply Company	CMOC	237.166,37	263.740,98	26.575	upsell

upsell	194.849
ext. Support	286.395
	481.245

PROGRESS ACHIEVED FOR MOST IMPORTANT REPORTING (IT) PROJECTS

Status Update: Project Details

Project	Status	Recent Progress	Next steps	Risks
Support with LucaNet (new consolidation tool) <ul style="list-style-type: none"> • Installation (incl. ERP interface) • Set up basic structure • Set up CFS/movement schedule • Data import and technical review • Configuration FiCo II (Consolidation module) • Training for employees 		<ul style="list-style-type: none"> • LucaNet successfully installed • Consolidated report (Draft May 2020) delivered out of new IT tool Lucanet 	<ul style="list-style-type: none"> • Training for employees • Identify further automation potential 	<ul style="list-style-type: none"> • Unidentified technical problems • Lack of time due to unexpected reporting requests
Change of P/L format (Total Cost Method (TCM) -> Cost Of Sales Method (COS)) <ul style="list-style-type: none"> • Roll forward of excel COS tool (cost center mapping) • Analysis and update of manual adjustments • Technical implementation in LucaNet 		<ul style="list-style-type: none"> • Good progress on Cost of Sales process in LucaNet achieved. • Monthly Report (draft) delivered on June 23rd for Jan-May 2019 YTD (for comparison) and Jan-May 2020 YTD 	<ul style="list-style-type: none"> • Last validation checks on numbers for CY 2019 and YTD 2020 • Switch Budget 2019/2020 numbers to COS (for comparison) 	<ul style="list-style-type: none"> • Unidentified technical problems • Lack of time due to unexpected reporting requests
Contract to Cash Automation in Execution <ul style="list-style-type: none"> • Automation of report e.g. for ARR, cash due to recurring revenue contracts, deferred revenue • Billing Automation based on digitized contract and subscription data • Decreasing data entry work, manual errors etc. and increasing time to analyze the developments. 		<ul style="list-style-type: none"> • Migration of 150+ legacy contracts to JustOn • Setup of the German business entity as principal billing entity; sent out EUR 1,2m in invoices. EUR 3,1m of July invoices ready to send. • setup of subscription- and invoice-based reports, incl. MRR, Churn rate, unpaid. • The Controlling Team is enabled to use the MRR data from JustOn in order to check and report on them. • setup of all relevant custom settings for the data transfer to Agresso. 	<ul style="list-style-type: none"> • ARR reporting: Finalize verification of contract data for existing contracts after Lucanet/COS is finalized • Key challenge: reporting is based on current <u>subscription level</u> data, Salesforce snapshots needs to be enabled to start making <u>account level</u> time-series analysis, YTD reports, LTM and NTM • Setup of the Subscription Builder (Automate closed won opportunity to subscription conversion) • Backfill subscription changes to January 2020 • Align with Agresso helpdesk and finance team on data export • Add training center and professional services to JustOn 	<ul style="list-style-type: none"> • Unidentified technical problems • Data issues SF vs. ERP • Lack of time due to unexpected reporting requests • System limitations vs. reporting requirements lead to unscalable decisions

COST OF SALES IMPLEMENTATION UPDATE

in EUR '000	2019												2020				
	2019 Jan	2019 Feb	2019 Mar	2019 Apr	2019 May	2019 Jun	2019 Jul	2019 Aug	2019 Sep	2019 Oct	2019 Nov	2019 Dec	2020 Jan	2020 Feb	2020 März	2020 Apr	2020 May
Revenue																	
Recurring revenues																	
Term based license (& support)	424	384	419	421	430	457	524	519	523	492	515	443	512	538	535	537	547
CMoC	58	58	58	58	59	67	68	68	68	86	86	99	114	115	114	115	124
Support & Subscription	685	684	676	673	715	669	648	650	647	635	685	739	576	710	664	656	682
Total Recurring Revenue	1,166	1,126	1,153	1,153	1,203	1,193	1,240	1,237	1,238	1,213	1,286	1,281	1,202	1,363	1,312	1,307	1,352
Non recurring revenues																	
Perpetual license revenues	0	0	239	102	0	31	75	0	10	0	0	518	0	0	74	0	0
Expert Consulting	512	572	545	392	313	317	459	379	433	359	368	282	313	367	431	387	374
Trainingscenter	13	35	28	9	30	27	18	16	27	45	11	13	53	28	16	33	23
Partnercontracts	10	10	11	11	11	11	11	11	12	12	12	12	11	12	12	11	17
Total Non-recurring Revenue	535	617	822	515	354	385	562	407	483	417	391	824	377	406	533	431	414
Total Revenue	1,702	1,742	1,975	1,668	1,557	1,579	1,802	1,644	1,721	1,630	1,677	2,105	1,579	1,769	1,845	1,738	1,766
COS																	
Recurring revenues																	
Term based license (& support)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CMoC	95	57	86	61	63	56	51	77	88	86	88	108	56	70	77	72	39
Support & Subscription	30	31	32	29								34	31	34	31	44	27
Total Recurring	125	88	118	90	COS allocation by sales category currently being reviewed &							42	87	104	108	117	67
Non recurring revenues																	
Perpetual license revenues	5	5	7	8								65	0	(4)	0	(11)	0
Expert Consulting	458	464	564	394								513	335	330	365	367	173
Trainingscenter	28	33	29	27								41	13	31	26	34	116
Partnercontracts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Non-recurring	491	502	600	429	439	606	427	428	450	445	462	719	348	357	390	390	289
Total COS	615	591	718	519	527	702	503	529	564	555	576	861	434	461	499	507	356
Gross Margin																	
Recurring revenues																	
Term based license (& support)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
CMoC	-64.4%	1.4%	-47.9%	-5.1%	-8.1%	16.4%	23.9%	-13.0%	-28.8%	-0.7%	-3.2%	-8.9%	50.9%	38.9%	32.5%	37.2%	68.1%
Support & Subscription	95.7%	95.5%	95.3%	95.7%	96.5%	94.2%	96.2%	96.2%	96.0%	96.2%	96.3%	95.4%	94.7%	95.2%	95.3%	93.2%	96.0%
Total Recurring	89.3%	92.2%	89.8%	92.2%	92.7%	92.0%	93.8%	91.8%	90.8%	90.9%	91.2%	88.9%	92.8%	92.4%	91.8%	91.1%	95.1%
Non recurring revenues																	
Perpetual license revenues			97.3%	92.6%		83.1%	93.0%		100.0%			87.5%			100.0%		
Expert Consulting	10.7%	18.9%	-3.5%	-0.4%	-29.1%	-80.1%	14.2%	-3.9%	3.1%	-14.8%	-18.9%	-117.6%	-6.8%	10.0%	15.5%	5.0%	53.7%
Trainingscenter	-119.9%	4.5%	-6.2%	-196.7%	2.8%	-13.3%	-56.2%	-73.6%	-8.9%	28.5%	-121.7%	-221.8%	74.8%	-11.3%	-59.8%	-2.6%	-401.2%
Partnercontracts	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Non-recurring	8.4%	18.5%	27.0%	16.7%	-24.0%	-57.3%	24.1%	-5.1%	6.8%	-6.7%	-18.4%	12.8%	7.7%	12.1%	26.7%	9.5%	30.1%
Total GM (EUR)	1,087	1,152	1,257	1,149	1,030	877	1,299	1,115	1,157	1,075	1,101	1,244	1,145	1,308	1,346	1,232	1,410
Total GM (%)	63.8%	66.1%	63.6%	68.9%	66.2%	55.5%	72.1%	67.8%	67.2%	65.9%	65.6%	59.1%	72.5%	73.9%	73.0%	70.9%	79.9%
OPEX																	
Research & Development	349	356	380	378	361	1,575	407	371	432	597	374	518	395	429	368	463	537
Sales & Marketing	625	461	750	471	627	1,065	476	626	766	862	474	920	603	610	605	565	562
Administration	242	225	409	302	391	352	216	306	1,643	1,341	171	465	241	572	511	379	219
Total OPEX	1,216	1,043	1,539	1,151	1,379	2,992	1,100	1,303	2,841	2,801	1,019	1,903	1,239	1,611	1,484	1,406	1,318
OPEX as % of Revenue	-71.5%	-59.9%	-77.9%	-69.0%	-88.6%	-189.5%	-61.0%	-79.3%	-165.1%	-171.9%	-60.8%	-90.4%	-78.4%	-91.1%	-80.5%	-80.9%	-74.6%

- COS and IFRS have been implemented in LucaNet
- Currently reviewing and adjusting cost allocation by sales category
 - Currently at 90% completion
 - Expect to be completed early next week
- Will be able to provide COS details and margins by
 - Sales category
 - Geography

3 Operations Report



CRO EXECUTIVE SUMMARY – SALES GTM

Cross-functional alignment driving sales effectiveness and key to 2H success and 2021 growth

Strategic Account Planning is moving the needle

- > Plans for all 15 target accounts complete. Next phase in process is Partner Alignment and Customer Reviews
- > Results have helped identify and progress 3 upsell opportunities and significantly lowered churn risk at Tractor Supply

New Territory Planning and Variable Annexes will align the Organization

- > New Territory Plans – to launch in July for Sellers, Sales Managers, Pre-Sales, CSPE, SDR and Marketing
- > Rolling out simplified Seller “Absolute Quota” (flat rate) plan in July

Lead Generation shows significant progress

- > New ZoomInfo tool yielding better targeting data
- > New Global SDR program (2 ee) with standardized process
- > April and May generated 100+ Leads for CoreMedia globally via Marketing and SDR practice including RFPs from Unisys, Google and The Kontoor Group.

Marketing Content significantly improving

- > Case Studies, Explainer Videos, Industry Content, Digital Campaigns now unified to support GTM strategy

New Pricing strategies make us more competitive

- > Creative “Good/Better/Best” pricing plays with Phased implementation models have been deployed to Sellers
- > First of the new Bundled Offerings being launched which deliver high-value, outcome-based offerings to existing customers and prospects

Growth Markets Identified. Focus now on GTM.

- > Internal task force with direct input received from Gartner and Forrester
- > Focus will be on Retail, Fashion & Luxury, CPG, B2B, Government (plus Sports and Grocery as secondary)

Optimized Sales Performance Management and new collaborative tools will increase productivity and drive adoption of Consultative Selling model (CMVR)

- > Sales Performance dashboards now being used in weekly inspection, intended to drive deal progression
- > Quip (Salesforce plugin) eliminates static development of sales assets (e.g. Sequence of Events and Client Relationship Heatmaps) and allow prospect collaboration
- > Sales & Pre-Sales enablement program driving adoption

COREMEDIA REVENUE OFFICE

- CURRENT STATE CHALLENGES

		Issue	Mitigation Plans (per last MOR)	Status/Progress
Sales Productivity	GTM Alignment	New logo signings may prove challenging in coming months with contracting economy	<ul style="list-style-type: none"> Taking aggressive pricing approach on key deals Learning to use “phased pricing” to lower introductory costs Ensure we are pursuing “winnable deals” 	<ul style="list-style-type: none"> New “Creative Pricing” playbook has been completed that provides regionalized pricing strategies that include “Good/Better/Best” and Phased Project packages.
		New Pipeline may prove challenging without physical events	<ul style="list-style-type: none"> “Turning on” our own Digital Events New Video-based marketing material to stand out US SDR program (which is yielding results) being expanded to EMEA and run as a Global program (reporting to Mooney) 	<ul style="list-style-type: none"> April and May generated 100+ Leads for CoreMedia globally via Marketing and SDR practice including RFPs from Unisys, Google and The Kontoor Group. EMEA SDR shift to formally start July 1
		Consulting backlog could drop if not replaced with new engagements	<ul style="list-style-type: none"> We need VF and other signings of large net new customers where CM will deliver large workstreams 	<ul style="list-style-type: none"> Consulting continues with healthy new backlog and revenue VF signing imminent, which helps further
		Complex commercial contracts and lack of negotiating depth and maturity within Sales	<ul style="list-style-type: none"> Creative “Good/Better/Best” pricing plays with Phased implementation models will make us more attractive 	<ul style="list-style-type: none"> Learnings from VF negotiations will be applied to standard contract package
GTM Alignment		Misalignment of CSPE measurements/goals and Partner Program (CSPE not incented to enable partners)	<ul style="list-style-type: none"> Tension between departments can only be resolved by better aligning goals (to be addressed with new 2H 2020 plans) 	<ul style="list-style-type: none"> New Global Variable Compensation Plans will align CSPE and Global Partner program executives through aligned MIPs. Pre-Sales to be compensated on a mix of Consulting Sales and Partner Enablement
		Partner enablement - The product learning curve is very steep, are therefore not very partner friendly	<ul style="list-style-type: none"> With reduction of Product Development spend, solving through solution documentation is now not an option Best approach is for CSPE and Pre-Sales focus cross-collaboration 	<ul style="list-style-type: none"> Revised Partner Onboarding plan moves Partner Sales Enablement earlier in process and relies more on “In Project technical enablement” Recommend “add back” budget for Product Development to tackle “Partner Friendliness”
		Individual and team goals do not align around GTM strategy and cause unnecessary tension.	<ul style="list-style-type: none"> New Territory Plans – to launch in July for Sellers, Sales Managers, Pre-Sales, CSPE, SDR and Marketing Roll out simplified Seller “Absolute Quota” (flat rate) plan in July 	<ul style="list-style-type: none"> EMEA will be segmented into 3 cross-industry geographies: 1. Everest - DACH, NORDICS, Eastern EU), 2. Mont Blanc - Italy, France 2. UK (Jay Pal returning) SUI and BENELUX will be split by vertical US will remain Ecosystem centric, splitting HCL by vertical



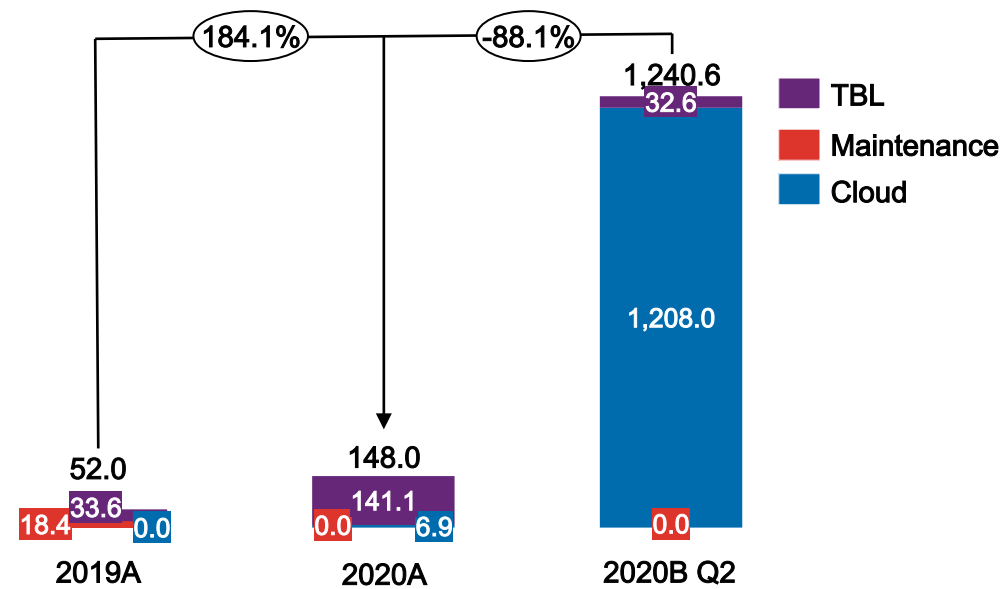
NEW GLOBAL VARIABLE COMPENSATION PLANS

Aligning the organization around common goals

	ARR Signings	Global Consulting Revenue	Personal Goals / MBO	Net customer churn	Notes
Sellers	100%*				*ARR signings for Sellers are “net ARR growth” of assigned accounts
Sales Managers	80%*	10%	10%		Plans to be MIPs. *ARR signings for Managers are “net ARR growth”. MBO focused on driving Partner Enablement (with specified metrics).
Pre-Sales	60%	20%	20%		MBO focused on driving Partner Enablement (with specified metrics).
Pre-Sales Managers	60%	20%	20%		MBO focused on driving Partner Enablement (with specified metrics).
SDR	50%		50%		MBO focused on scheduling new meetings and establishing new SQO Pipeline (with predefined metrics)
CSPE Delivery Managers	25%	55%	20%		MBO focused on supporting Customer Success, Organizational Development (e.g. Bundled Offerings) and Partner Enablement
Training Manager		100%			Only training revenue
CSM		25%	25%	50%	
Marketing					In development

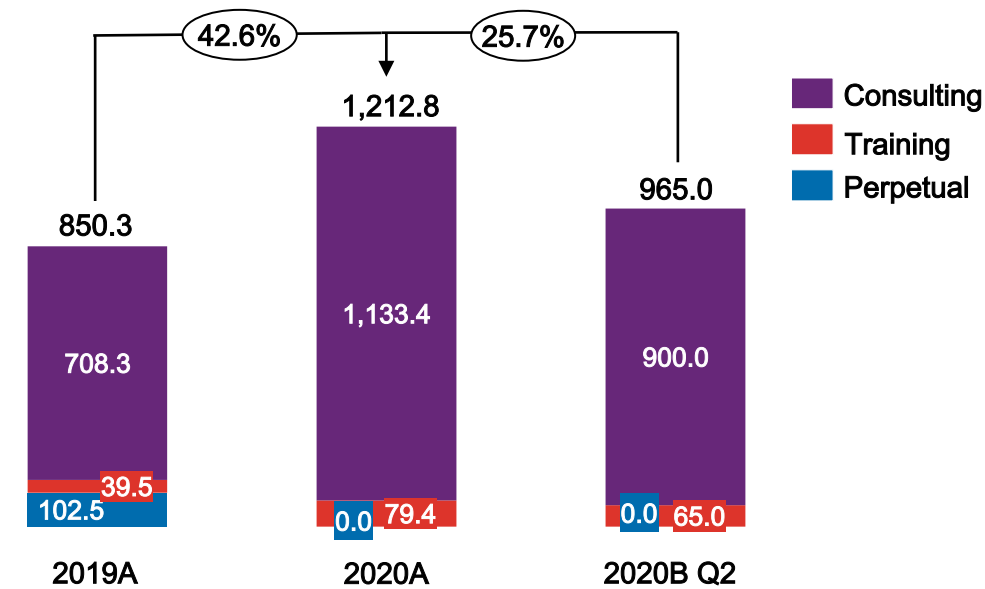
NEW BUSINESS BOOKINGS – MAY

QTD 2020 New Bookings by Product (Recurring)
€ Thousands



Key Wins in May			
Customer	ARR	Other	Comments
Barmer	€ 34.0		UPG INT3, DEV2
Triumph Adler	€ 8.5		UPG Virtualization
Elkjop	€ 7.1		Upgrade users
Total	€ 49.6K	€ 0	

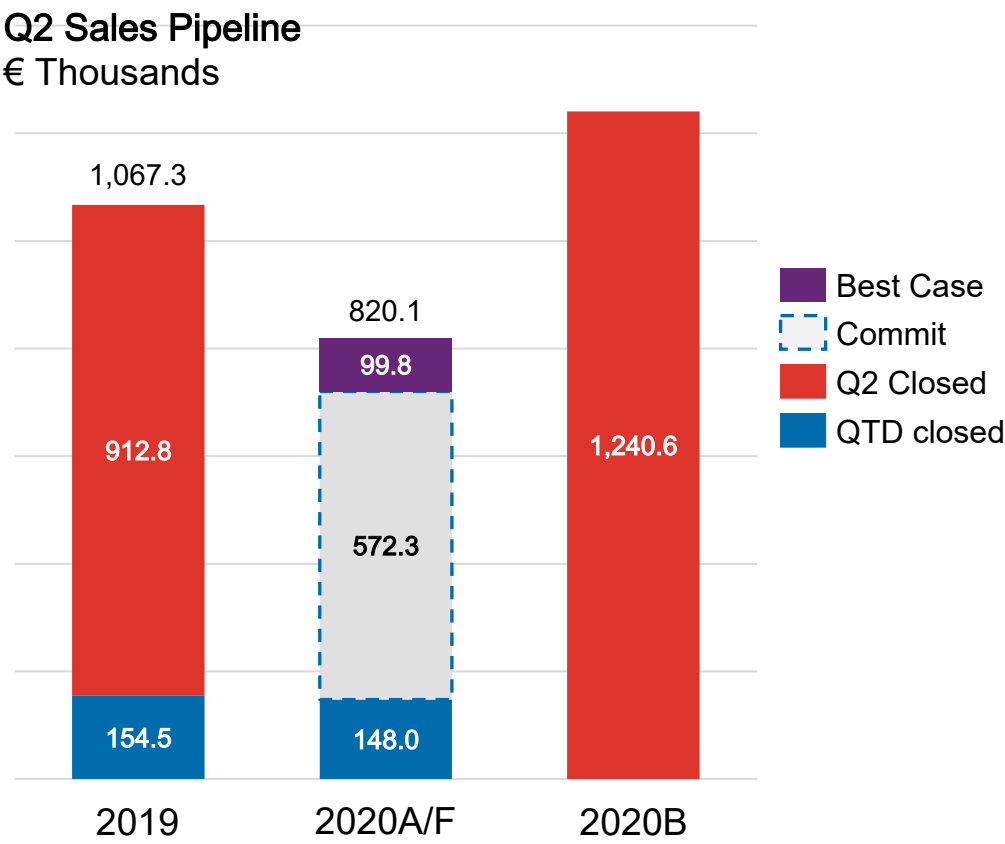
QTD 2020 New Bookings by Product (Non -recurring)
€ Thousands



Key Delays/Losses in May			
Customer	ARR	Other	Comments
Tom Tailor	€ 240.0		Lost due to struggles with covid-19
Hayward Industries	€ 198.0		Pushed to Q4
Ivoclar	€ 183.3		Pushed to Q4
Bouygues	€ 100.0		Pushed to CY2021 Q1
Arri	€ 19.6		Pushed to Q4
Total	€ 740.9K	€ 0	



SALES PIPELINE – QUARTER 2



191% of Commit needed to meet B
163% of Best Case needed to meet B

€ Thousands

Q2 Victory Plan – Key Must Win Deals								
	Rep	Customer	Subs - cription	Perpetual	Prob %	Forecast	Close Date	Product/description
EMEA	UFR	VF Corp.	€ 230.6		90	Commit	6/19	SFCC eComm – CMCC Service (new business)
		Luxottica	€ 157.0		75	Best Case	6/30	Other eComm – upg. renewal
	MAR	Hamburg.de	€ 150.0		70	Commit	6/25	CMS – CMCC Service
	MPU	DAK	€ 85.7		50	Best Case	6/30	CMS – CMCC Service – shift to cloud
		Barmer	€ 78.5		100	WON	4/22	CMS – upg. del. cores, Dev 2
		Barmer	€ 34.0		100	WON	5/8	CMS – upg. Int3, DEV2
		Fritz Schäfer	€ 13.0		100	WON	4/20	CMS – upsell core/perso
		Triumph Adler	€ 8.5		100	WON	5/15	CMS – upg. virtualization
		Elkjop	€ 7.1		100	WON	5/14	CMS – upg. users
		dm*	€ 200.0		100	WON	6/19	CMS – CMCC Self-Managed – new ELA
US		Life Fitness	€ 14.2		90	Commit	6/30	SFCC eComm – pre-prod environment
	RBR	Deckers Brands	€ 12.0		90	WON	6/17	SFCC eComm – sandbox
		Tractor Supply	€ 6.8		100	WON	4/17	HCL eComm – upsell prod environmnt
	WHE							
	Total		€ 797.4	€ 0				

*renewal, does not count towards net new revenue and is not included in the Total.



VICTORY PLAN OPPORTUNITY BUILD

– QUARTER 2

2Q impacted by COVID, however, key net new opportunities prove growth is achievable

Current FQ Closed in RSV

EUR 160k

View Report (Current FQ Closed)

Current FQ Closed in ACV ...

EUR 161k

View Report (Current FQ Closed)

Current FQ Commit Total in...

EUR 708k

View Report (Current FQ Commit Total)

Current FQ Commit Total in...

EUR 705k

View Report (Current FQ Commit Total)

Current FQ Best Case Total...

EUR 796k

View Report (Current FQ Best Case Total)

Current FQ Best Case Total...

EUR 793k

View Report (Current FQ Best Case Total)

Current FQ Closed

Opportunity Name	RSV (converte...	ACV Year 1 (conve...
Barmer - CMCC Self Manged - 2020 - CMS - ba...	EUR 76.00k	EUR 76.00k
Barmer - CMCC Self Managed - 2020 - CMS - b...	EUR 31.50k	EUR 31.50k
Fritz Schäfer-CMCC Self Managed-2020-CMS-s...	EUR 13.00k	EUR 13.00k
Deckers Brands - CMCC Service - 2020 - SFCC ...	EUR 12.10k	EUR 12.10k
TriumphAdler_CMCC Self-Managed-2020-CMS...	EUR 8.50k	EUR 8.50k
Elkjop - CMSS Self Managed - 2020 - SAP Com...	EUR 7.09k	EUR 8.10k
Tractor Supply co. - CMCC Service - 2020 - HCL...	EUR 6.90k	EUR 6.90k

View Report (Current FQ Closed)

Current FQ Commit

Opportunity Name	RSV (converte...	ACV Year 1 (conve...
VF Group - CMCC service - 2020 - SFCC comm...	EUR 220.38k	EUR 216.96k
Hamburg.de - CMCC Service - 2020 - CMS ha...	EUR 170.40k	EUR 170.40k
Luxottica - subscription - 2020 - Headless CMS...	EUR 157.00k	EUR 157.00k
	EUR 547.78k	EUR 544.35k

View Report (Current FQ Commit)

Current FQ Best Case

Opportunity Name	RSV (converte...	ACV Year 1 (conve...
DAK - CMCC Service - 2020 - CMS - dak.de - sh...	EUR 85.65k	EUR 85.65k
Mainova - Self Managed - 2020 - Delivery Serv...	EUR 2.00k	EUR 2.00k
	EUR 87.65k	EUR 87.65k

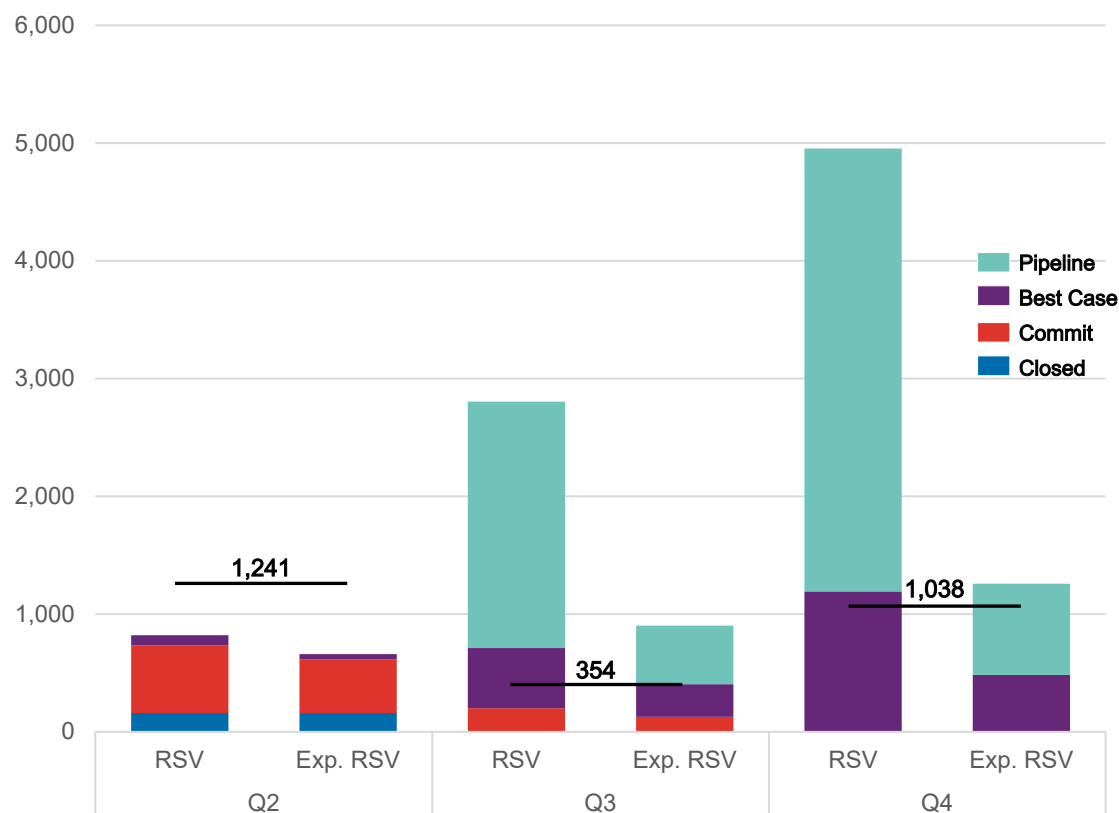
View Report (Current FQ Best Case)

2020 SALES & MARKETING PIPELINE OUTLOOK

Significant addressable pipeline to advance, weighted to end-of-year

Total Global Sales Pipeline by Quarter

€ Thousands



✗ Revised Q3 target is €795K (€354K is original Q3 budget) to make up for 1H shortfall

✗ Q3 pipeline contains €1M pipeline of higher-probability revenue.

- Q3 pipeline holds €1M pipeline of higher-probability revenue, which points to ability to make up YTD gap
- Revised Q3 “Must Make” target is €795K (€354K is original Q3 budget) to make up for 1H shortfall
- Key Q3 deals include Vitesco (€154K), BBQ Guys (€132K), Rheinbahn (€139K), Mohawk (€179K)
- Q4 poised to overachieve based on significant pipeline with nearly €5M pipeline (some of which is from COVID related budget delays)

QUARTER 3 PIPELINE

Forecast Category ↑ ▼	Opportunity Name ▼	Close Date ▼	Amount (converted) ▼	Expected Revenue (converted) ▼	Opportunities ▼	RSV (converted) ▼	RSV Weighted (converted) ▼
Best Case	Mediacorp / Ufinity - Enterprise Support - 2020 - one month 24/7 Support	8/28/2020	EUR 14,312.55	EUR 12,881.30	1	EUR 14,312.55	EUR 12,881.30
	Mohawk Industries - CMCC Service - 2020 - SAP Cloud	8/7/2020	EUR 539,032.66	EUR 215,613.06	1	EUR 179,677.55	EUR 71,871.02
	Rheinbahn - CMCC Service - 2020 - CMS Rheinbahn.de	9/30/2020	EUR 417,600.00	EUR 229,680.00	1	EUR 139,200.00	EUR 76,560.00
	Karkkainen - Self Managed - 2020 - HCL Ecommerce karkkainen.com	9/30/2020	EUR 132,750.00	EUR 92,925.00	1	EUR 44,250.00	EUR 30,975.00
	BBQ Guys - CMCC Service - 2020 - Custom B2B	8/14/2020	EUR 396,023.99	EUR 257,415.60	1	EUR 132,008.00	EUR 85,805.20
Subtotal			EUR 1,499,719.20	EUR 808,514.95	5	EUR 509,448.10	EUR 278,092.52
Commit	BGE - Self Managed - 2020 - CMS - www.bge.de	7/30/2020	EUR 107,325.00	EUR 96,592.50	1	EUR 35,775.00	EUR 32,197.50
	Life Fitness - CMCC Service - 2020 - SFCC Pre-prod	7/17/2020	EUR 42,902.60	EUR 36,467.21	1	EUR 14,300.87	EUR 12,155.74
	Pandora - CMCC Self-Managed - 2020 - SFCC Ecommerce - padora.net-UPG Adaptive Perso	9/30/2020	EUR 60,480.00	EUR 45,360.00	1	EUR 20,160.00	EUR 15,120.00
	Vitesco - Self Managed - 2020 - CMS Intranet	7/31/2020	EUR 436,350.00	EUR 392,715.00	1	EUR 145,450.00	EUR 130,905.00
Subtotal			EUR 647,057.60	EUR 571,134.71	4	EUR 215,685.87	EUR 190,378.24
			EUR 2,146,776.80	EUR 1,379,649.66	9	EUR 725,133.97	EUR 468,470.75

Total Q3 Pipeline:

€7.6M

Q3 Best Case (current):

€808K

Q3 Budget:

€354K

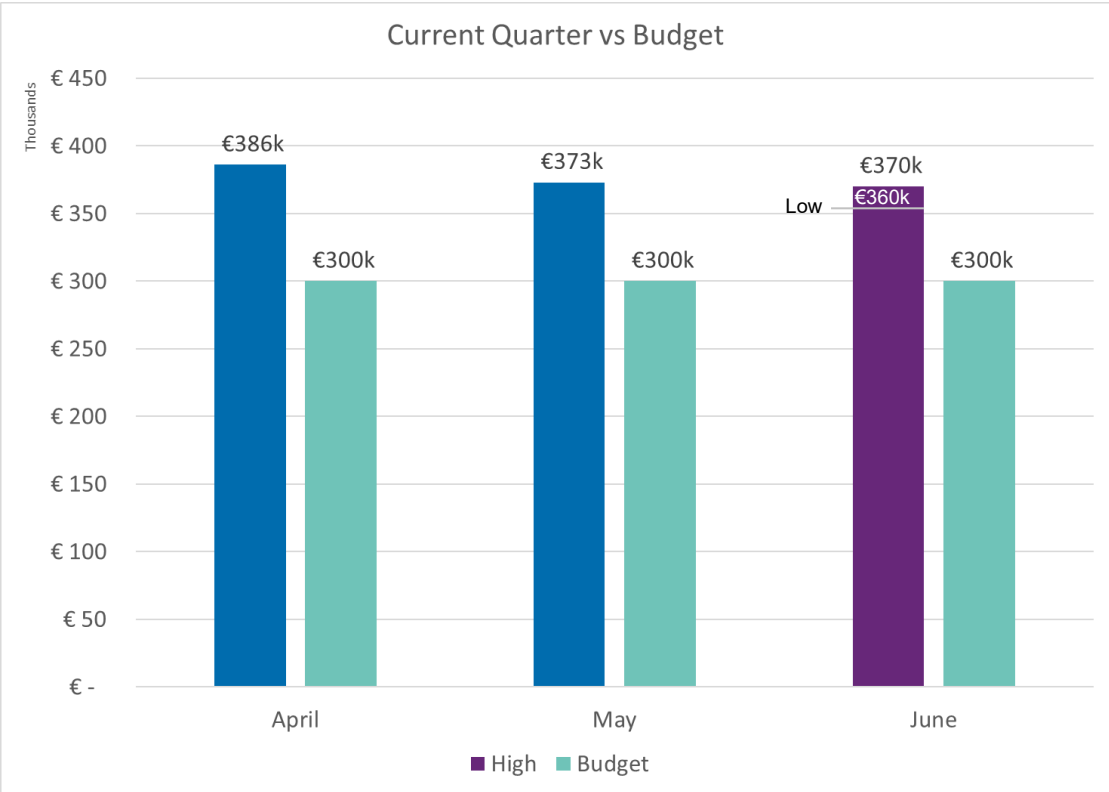
Q3 Must Make (to catch up):

€795K

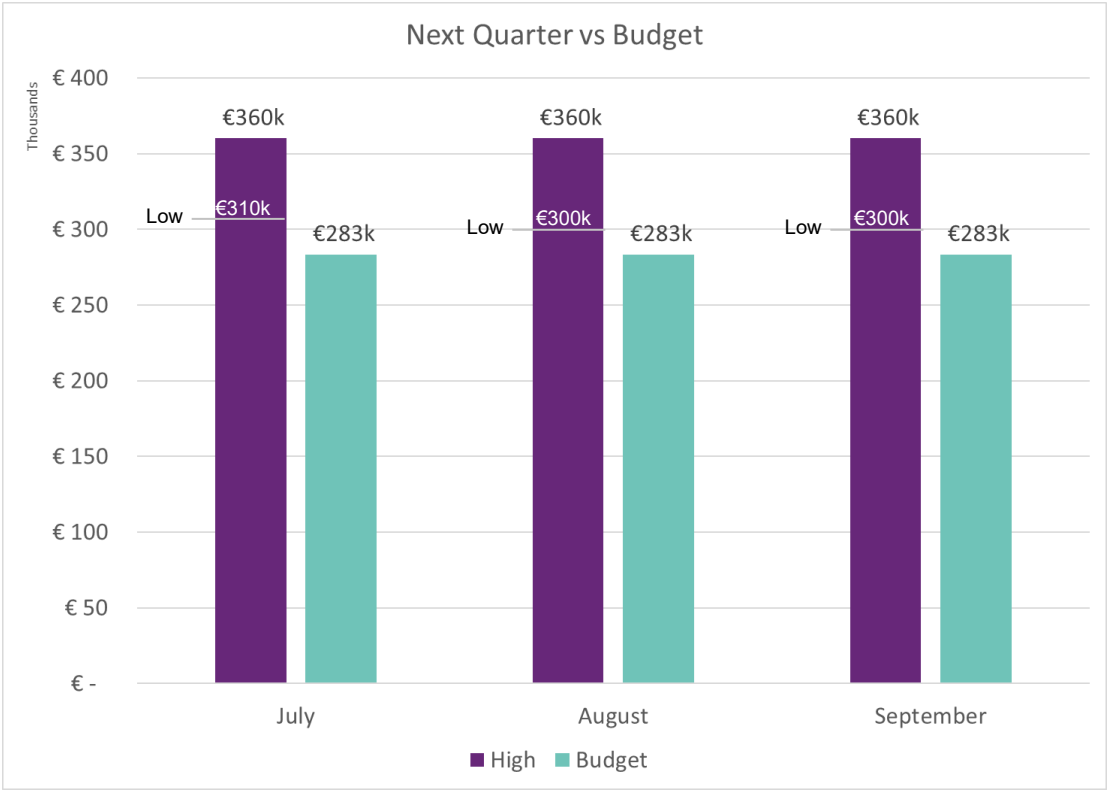


CONSULTING: Q2 ACTUALS AND FORECAST AND Q3 FORECAST

May 73k over Budget. Q2 will over-achieve budget.



> Q2 forecast in range of €1,119k – 1,129k.



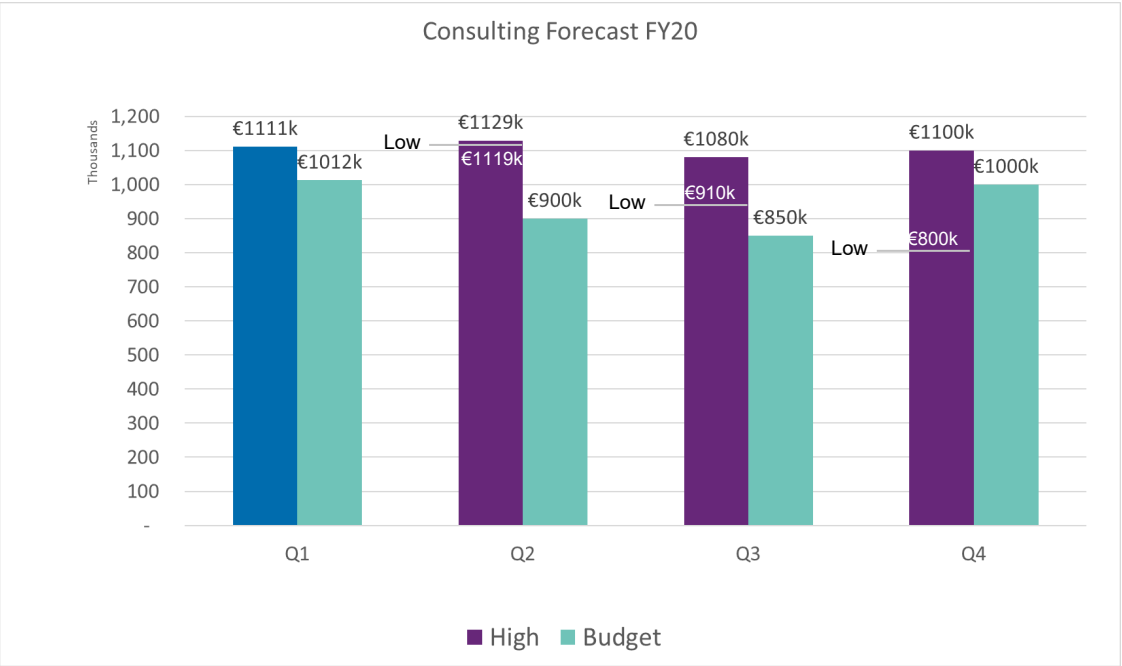
> Q3 forecast in the range €910k-1,080k and is on-track to achieve budget.

> Increased number of small to medium sized deals in the pipeline
- Deutsche Boerse, Barmer, CGI, BGW, Under Armour – some of which will positively impact Q3.

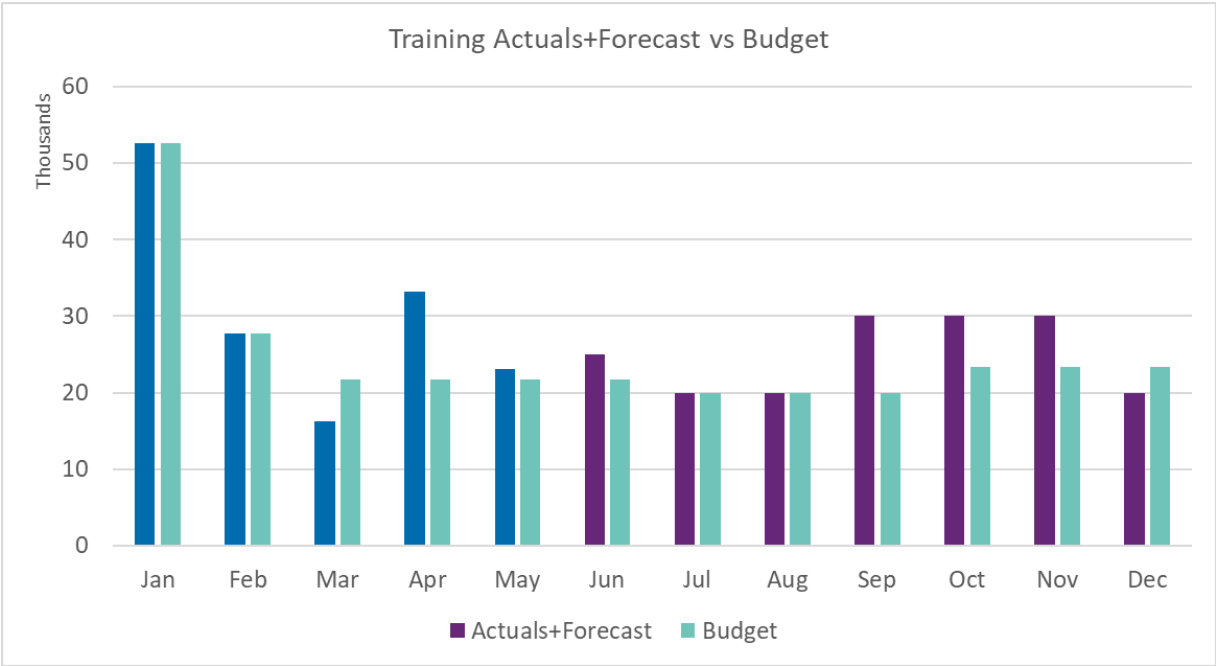


FY FORECAST

On track to achieve Budget for FY



> YTD performance and solid backlog put us in a strong position to achieve the budget.



> May actuals of €23.1k were above budget of €21.6k
> Overall forecast of €328k on target to achieve budget of €297k.



SITUATION

- Short-term economic impact will be felt broadly within all markets and most industries and investment capital will become constrained.
- The companies and organizations fastest to recover will be those that enable a shift to greater digital engagement, as social distancing becomes the norm.
- Short to mid-term impact on brick & mortar Retail customers will likely be severe (However, retailers shifting to online will likely expand spending)
- Growth opportunities exist in segments such as Government, Grocery, Healthcare, Insurance and Life Sciences. (However, CoreMedia’s ability to penetrate those outside of Germany must be explored)

STRATEGIES

“PROTECT THIS HOUSE”



Take demonstrative action to proactively respond to the customers “Covid-Situation”.
Build a defensible position with defined “Relief-Offerings” to secure current revenue streams. Use the relief-Offerings to gain customer insight to identify and drive future revenues where possible.

SMART SPEND



Economic retraction will cause companies to halt major new platform upgrades and migration projects, however, there will likely be increased focus on optimizing and extending the value of their current digital platforms.

GROWTH MARKETS



While the Brick & Mortar Retail and certain manufacturing segments will be slow to recover, other industries will see increased investment in the coming months and quarters as the shift to Digital accelerates. It will be essential that CoreMedia rapidly adjusts focus to Industries with investment capital.

THE DIGITAL OFFICE REALITY



Develop effective ways to reach and influence customers and prospects in the new work-from-home era.

CROSS -FUNCTIONAL EXECUTION

– STATUS & SHORT TERM FOCUS

“PROTECT THIS HOUSE”

Strategic Account Planning –

Status/Progress

- Initial plans complete for all 15 target accounts by June 15 (Complete)
- Next phase in process is Partner Alignment and Customer Reviews

Customer Outreach –

- CRO personal outreach emails and outbound calls (Complete)

Marketing

- Customer Advisory Board preparation in full swing with aim to host first board meeting in Q4. Nominations complete.
- Thought Leadership – content creation increasing giving CSM ability to share more with each account
- PX / BX Platform – Evaluation going well and identified opportunity to provide better Buyer Experience via combined training and customer success portal

CSPE

Status/Progress:

- Strategic account planning driving increased dialog in EMEA and USA
- Studio coaching bundled offering available.

SMART SPEND

Sales

Status/Progress:

- Strategic Account Planning identifying opportunities

Next Actions:

- SDR outreach shifting focus to “Smart Spend” messaging and look-a-like target accounts

Marketing

Status/Progress:

- First Explainer Videos complete with more being produced (including specific smart spend video)
- SAP campaign launched. New campaigns for commercetools and Salesforce B2B being prepared.
- Thought Leadership video with SAP + SMITH + CM being recorded in two weeks.
- Modular Video production idea being developed (with Sanderson) for Smart Spend and Growth Markets strategies

CSPE

Status/Progress:

- HCL Commerce Launch bundle to target v8/9 HCL install base will be launched when work on global sites bundle edition is complete.

GROWTH MARKETS

Sales

Status/Progress:

- Focus Industries defined:
 - Retail (focus on retailers shifting to online), CPG, Mfg / B2B

Marketing

Status/Progress:

- Calls with Analysts confirmed Growth market approach and gave further thought to additional markets e.g. Financial Services (Sitecore & Adobe) take out play.
- Freelance content writer draft Growth Market (Industry) specific content being reviewed
- Modular Video production
- Case Studies progressing well (Life Fitness, Under Armor, Emerson, KSB). Need to decide path for anonymous case studies (i.e. how to use them without client approval).
- B2B Growth market will be next digital campaign using KSB and Emerson case studies. Also received very targeted Salesforce B2B customer list for EMEA and USA that is valuable for this.
- Publicis Sapient partnership alignment for CPG Growth market and D2C approach with Salesforce.

CSPE

Status/Progress:

- Headless Launch bundled offering available targeted at SAP eco-system. Addition for enabling global sites planned for July.

THE DIGITAL OFFICE REALITY

Marketing

Status/Progress:

- First Explainer Videos complete
- Fresh Blog entries
- Content Calendar defined

Next Focus:

- CoreMedia Website Relaunch – Requirements gathering in June then decision on best path forward.
- Modular Videos
- Industry Content
- Case Studies
- Thought Leadership
- Assign CM staff to create content programmed in Content Calendar
- CoreMedia Connect – global digital event series launched in April and to continue throughout 2020 and beyond
- Account Based Marketing aligned with new Industry Sales Territory approach – focus on top 20 accounts per industry

EXECUTIVE SUMMARY – MOR UPDATE

Marketing Initiative Progress

Key Initiative Updates

- **Lead Generation** – April and May generated 100+ Leads for CoreMedia globally via Marketing and SDR practice including RFPs from Unisys, Google and The Kontoor Group.
- **Case Studies** – Those ready for approval include Emerson, Life Fitness, Under Armour and FarFetch.
- **Explainer Videos** – First two tested in market for Salesforce and SAP. Three additional videos in draft state being improved / finalized at the moment focused on HCL Optimization, CoreMedia DAM and Smart Spend.
- **Industry Content** – Draft Growth Market content and insights ready for Retail, Luxury, B2B, Government, CPG.
- **CoreMedia Website** – Requirements gathering process has begun and will be completed end of June. Once complete we will review options moving forward and costs/benefits. Options will include;
 - Stay on CoreMedia. Use CSPE to build and partner to redesign/build front-end.
 - Stay on CoreMedia. Outsource completely to partner for design and build.
 - Move off CoreMedia onto third-party solution (e.g. Hubspot). Use third party agency to design/build site on new platform.
- **Digital Campaigns** – Launched latest campaign focused on SAP Ecosystem and an internally written premium content piece. Live for two weeks now and changing title / ads to see if we get better response from using ‘Guide’ rather than ‘eBook’ based on Hypothesis of book does not read well for time poor targets.

EXECUTIVE SUMMARY – MOR UPDATE

Partner Ecosystem Initiative Progress

Key Initiative Updates

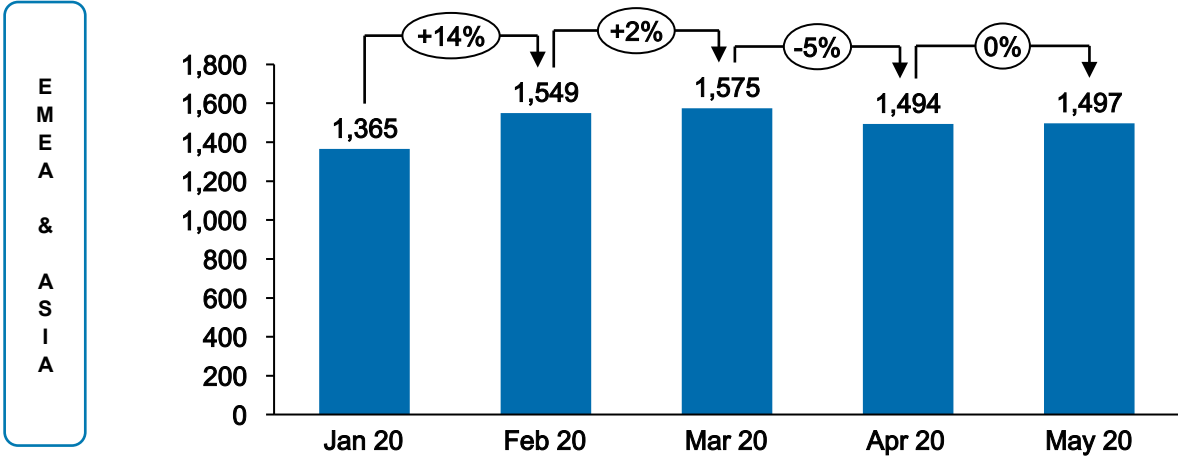
- **Partner Acquisition** – Signed the following new partners and aligning on GTM strategy;
 - **Commercetools** → Launched on commercetools Marketplace as featured integration and now pushing GTM with EMEA and Americas teams.
 - <https://marketplace.commercetools.com/integration/coremedia-content-cloud-v10>
 - **Publicis Sapient** → Signed global partner contract and they invited CoreMedia to participate in their Salesforce Commerce Cloud quick start go to market which is targeted to businesses looking for a Direct-to-Consumer (D2C) model (focused on CPG brands).
 - <https://www.publicissapient.com/solutions/direct-to-consumer#conversation>
 - **Zobrist** → Signed partner contract and did PR with Zobrist which is an Americas focused partner in the Salesforce and HCL Ecosystems. The lead there is our ex-Deckers client so great alignment early on with them.
 - <https://www.prnewswire.com/news-releases/coremedia-announces-partnership-with-zobrist-software-group-301069760.html>
- **PX Platform** – Evaluation of three vendors (ZiftOne, Impartner and Allbound) progressing with focus on Training / LMS and broader Marketing / PRM capabilities. Goal to make recommendation by early July (pending pricing based on end of June discounts by vendors).
- **PX Survey** – First round of responses complete (Total of 60) and analysis to be done still.
- **PX Program** – Moving Consuelo Garcia into PX Manager – EMEA role to improve experience delivered and alignment with EMEA Sales team.

APPENDIX

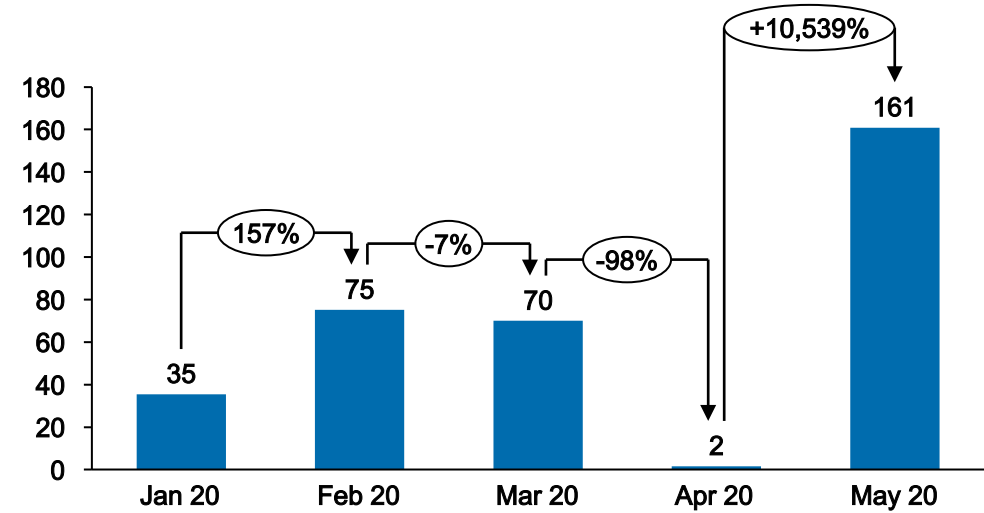


MAY YTD PERFORMANCE BY GEOGRAPHY

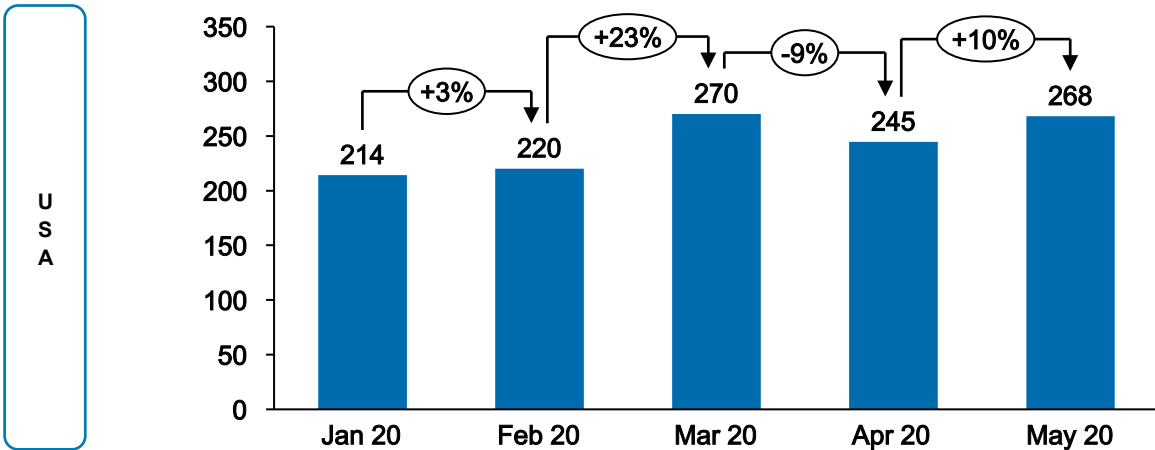
Revenue
€000s



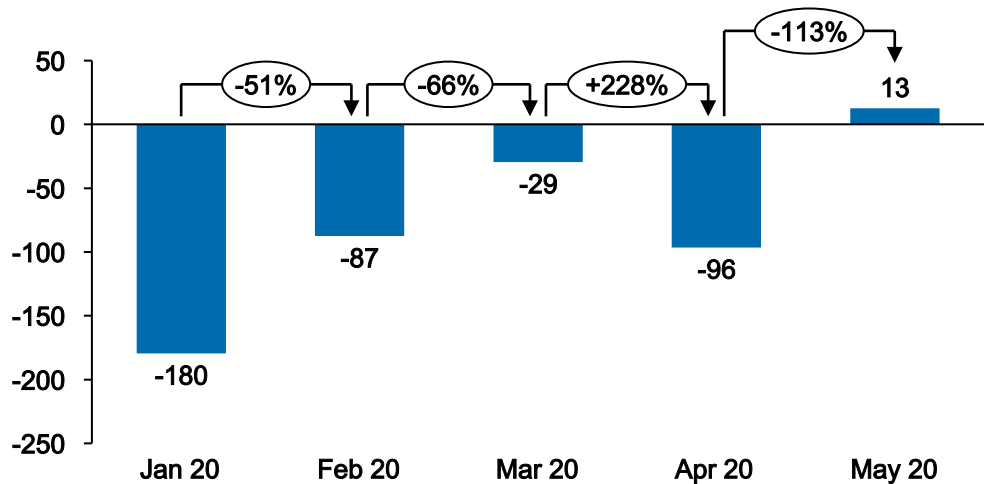
Adjusted EBITDA
€000s



Revenue
€000s



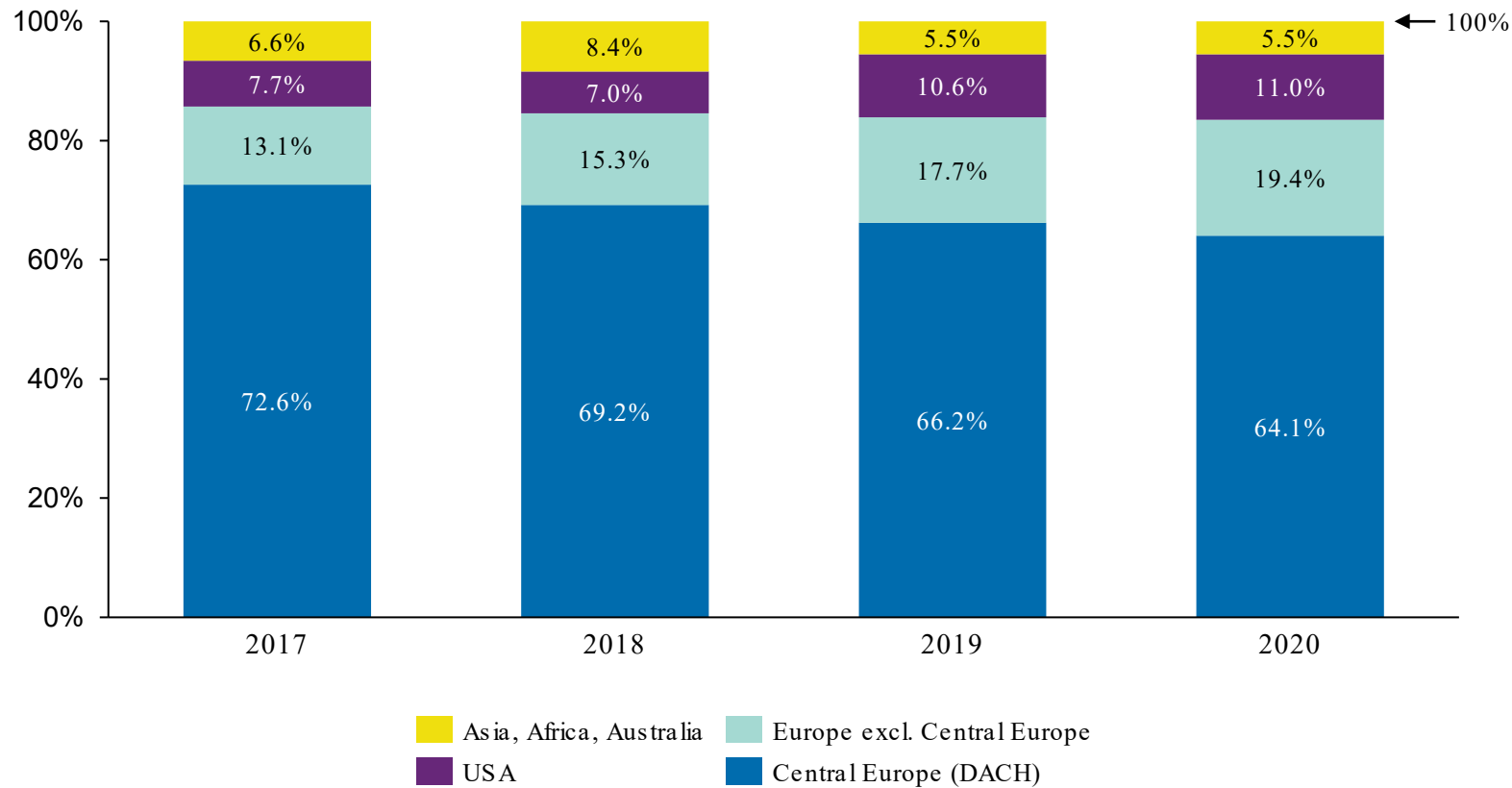
Adjusted EBITDA
€000s



REGIONAL RECURRING REVENUE SPLIT

– MAY LTM 2017 - 2020

Highest revenues still in Central Europe (CE)

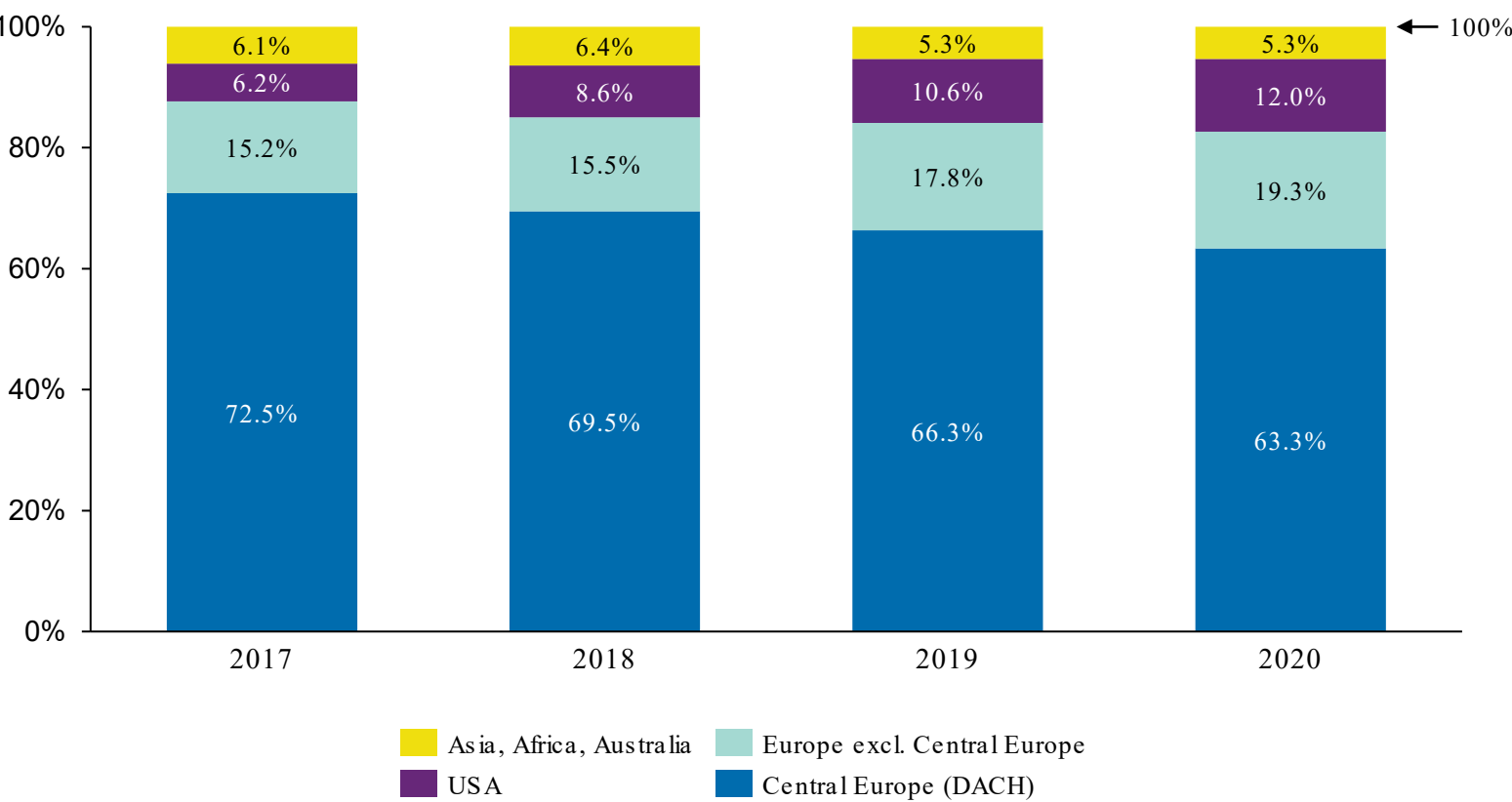


- Recurring revenue in Central Europe is reducing over the period from 72.6% in 2017 to 64.1% in 2020, however is still generating the highest revenue
- Recurring revenue outside of Europe is growing over the period and has increased from 14.3% in 2017 to 16.5% in 2020
- Europe excl. Central Europe has increased from 13.1% in 2017 to 19.4% in 2020

REGIONAL RECURRING REVENUE SPLIT

– MAY YTD 2017 - 2020

Highest revenues still in Central Europe (CE)



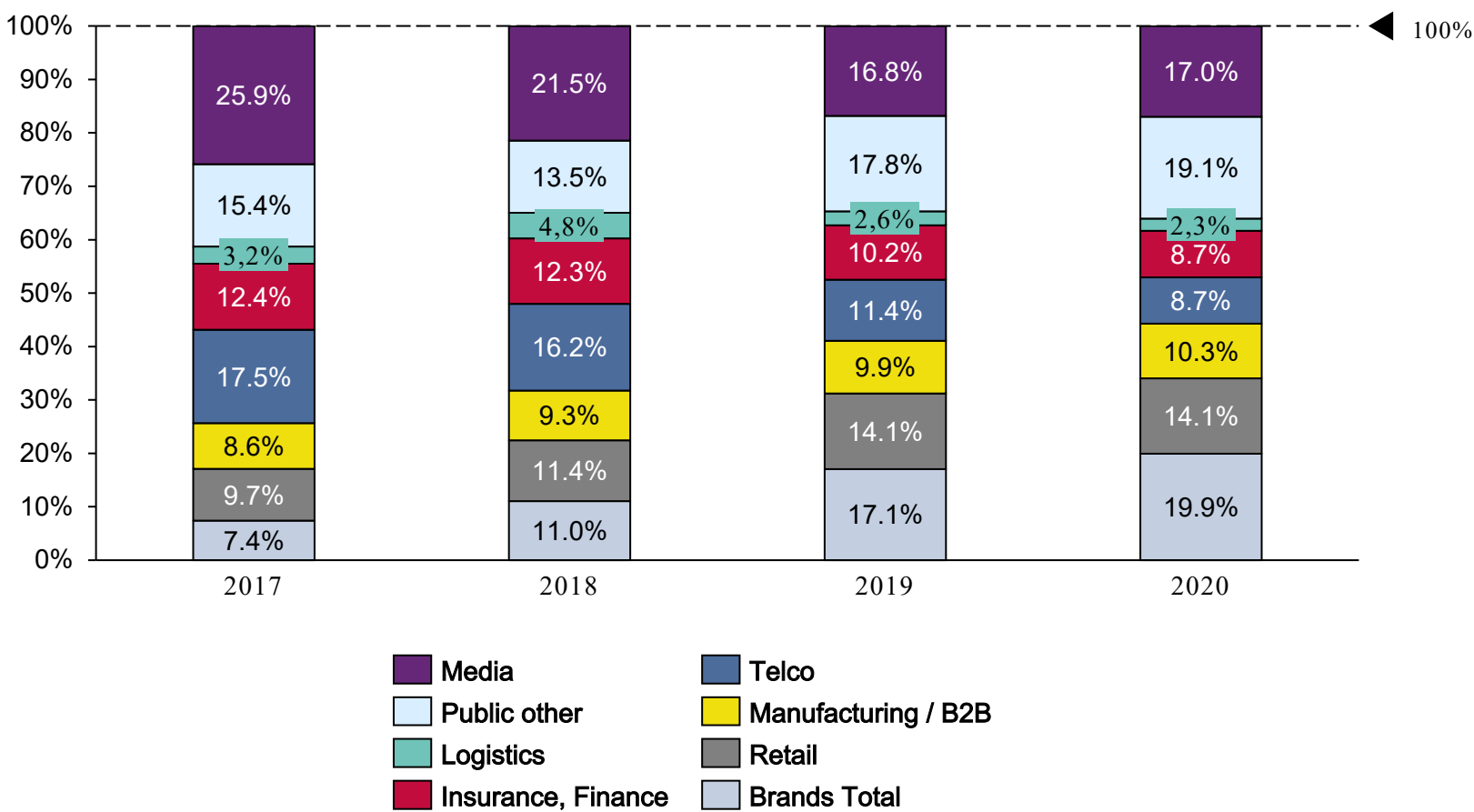
- Recurring revenue in Central Europe is decreasing over the period from 72.5% in 2017 to 63.3% in 2020, however is still generating the highest revenue
- Recurring revenue outside of Europe has increased from 12.3% in 2017 to 17.4% in 2020
- Europe excl. Central Europe has increased from 15.2% in 2017 to 19.3% in 2020



RECURRING REVENUE BY INDUSTRY

– MAY LTM 2017 - 2020

Commerce Business growing



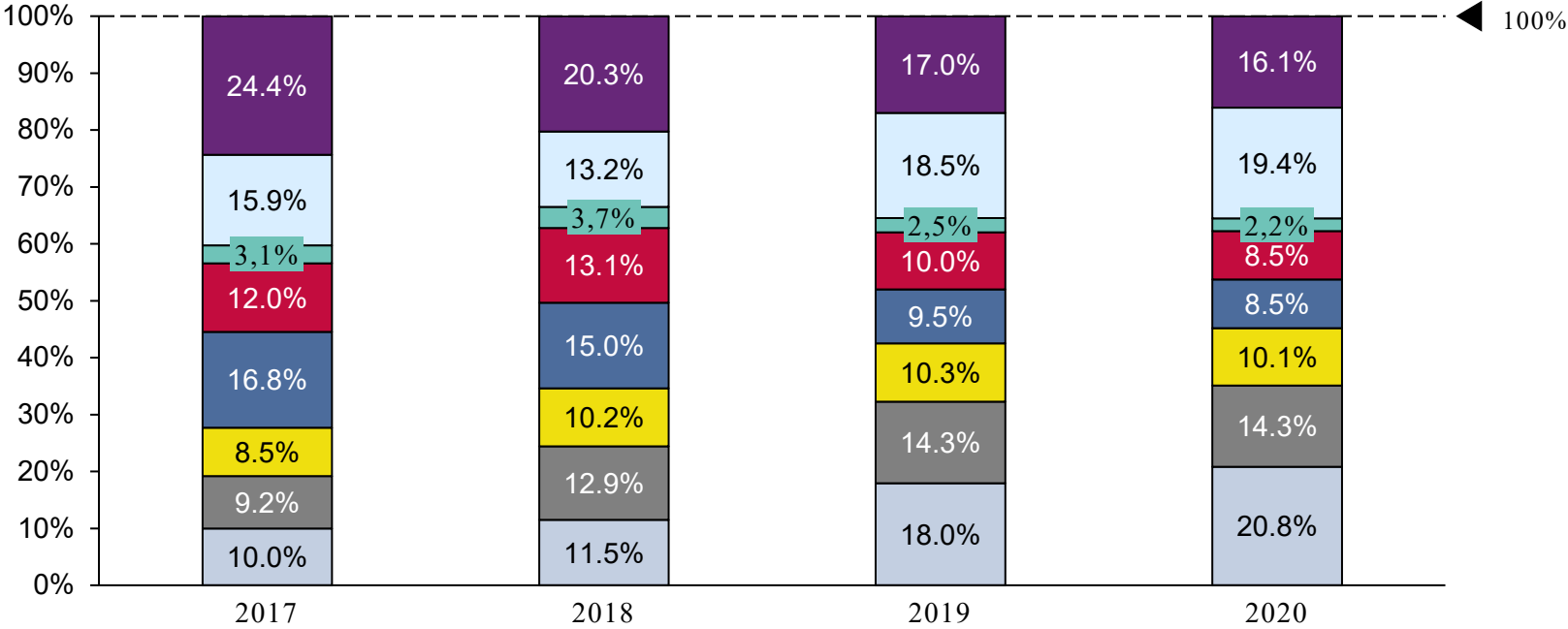
- Commerce business is growing year over year. In 2017 the commerce business represented 25,7% in 2020 this has increased to 44,3%, mainly driven by brands
- Media has decreased in 2018 and 2019 but remains stable in 2020 at 17,0% compared to 2019
- Telco and Insurance & Finance is decreasing year over year



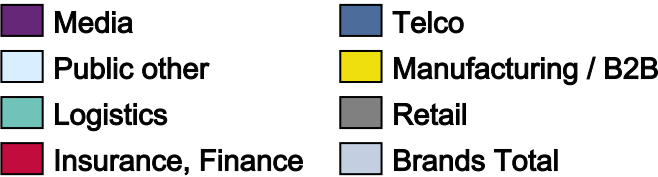
RECURRING REVENUE BY INDUSTRY

– MAY YTD 2017 - 2020

Commerce Business growing

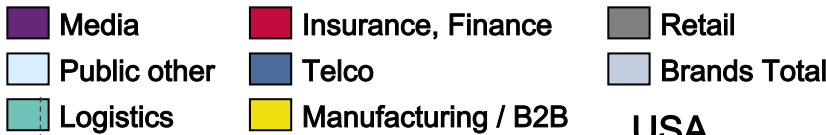


- Commerce business is growing year over year. In 2017 the commerce business represented 27,7% in 2020 this has increased to 45,2%, mainly driven by brands
- Media has declined from 24,4% in 2017 to 16,1% in 2020
- Telco and Insurance & Finance is decreasing year over year



RECURRING REVENUE BY INDUSTRY

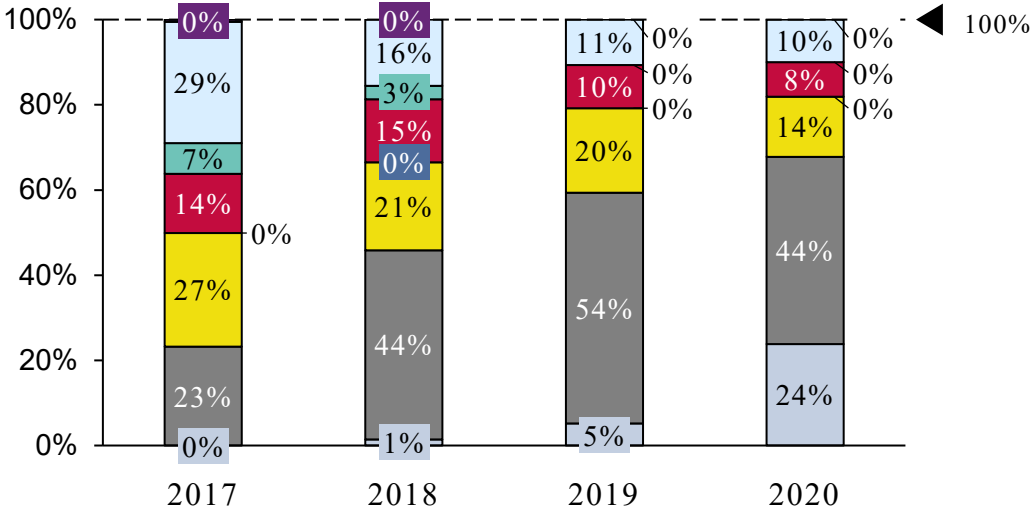
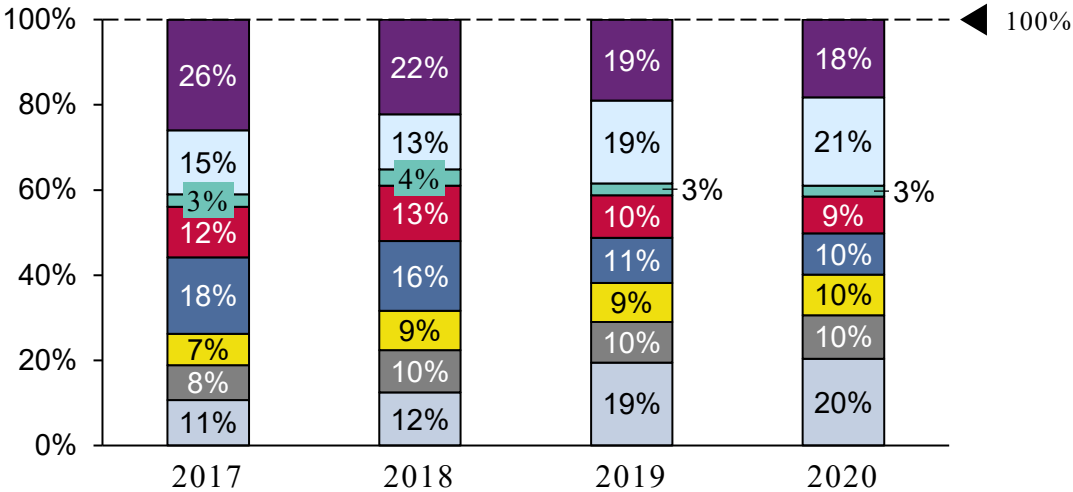
Commerce Business growing



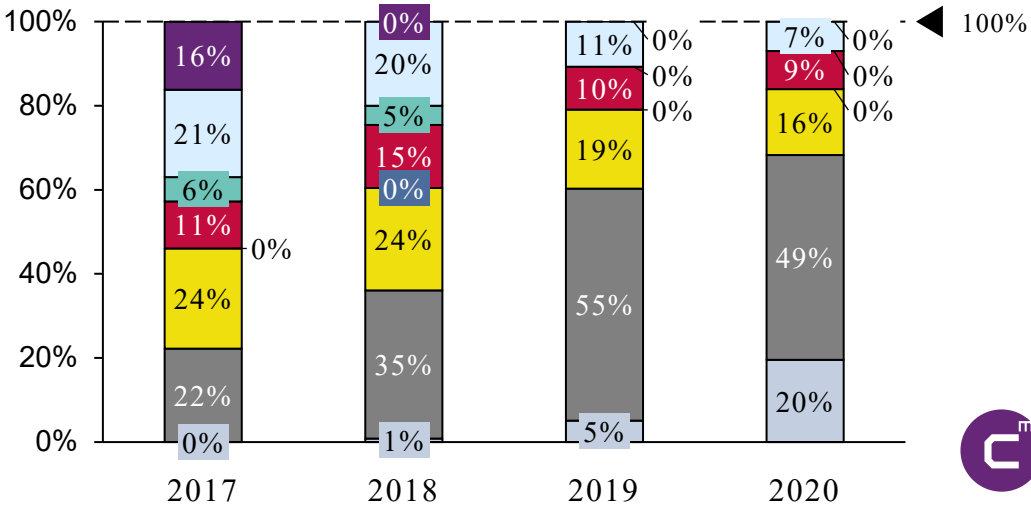
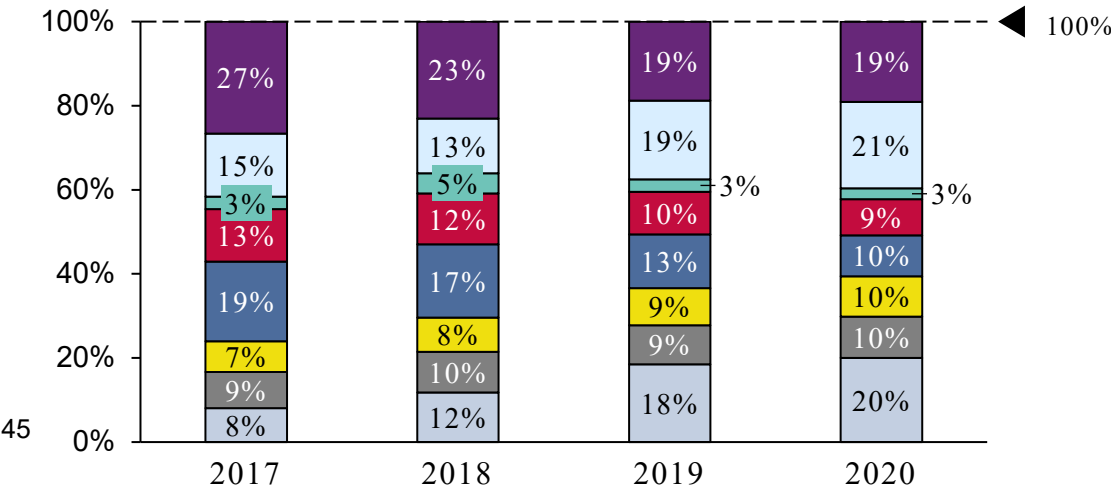
EMEA & ASIA

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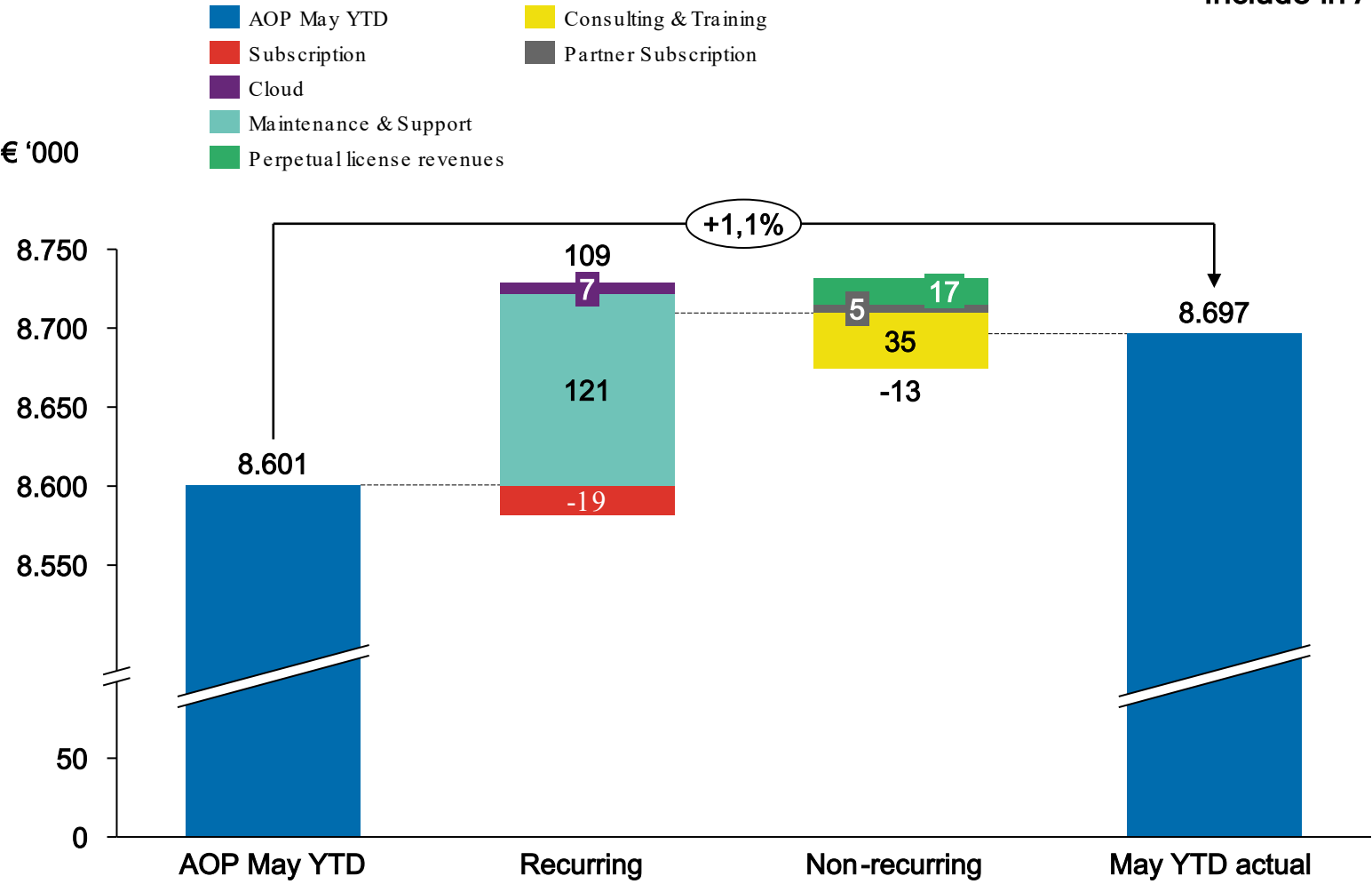


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REVENUE BRIDGE AOP VS ACT – MAY YTD

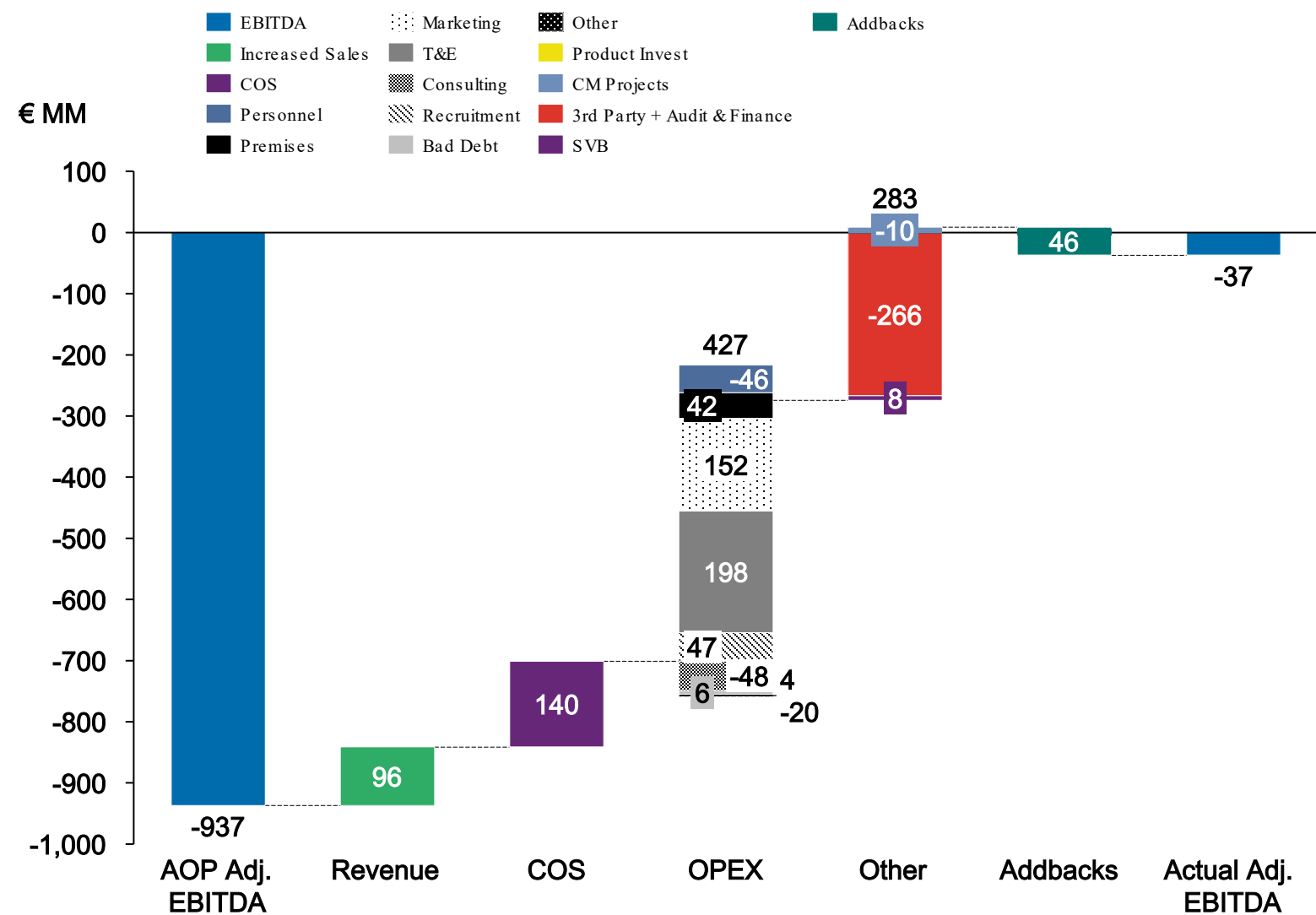
Include in Appendix



	Revenue
AOP	8,601
Recurring revenue	109
Subscription	(19)
Cloud	7
Maintenance & Support	121
Non-recurring revenue	(13)
Perpetual license revenues	17
Consulting & Training	(35)
Partner Subscription	5
May YTD Actual	8,697



EBITDA BRIDGE AOP VS ACT – MAY YTD



	Revenue	Adjusted EBITDA
AOP	8.601	(937)
Increased Sales	96	96
COS		140
OPEX Variance		
Personnel		46
Premises		42
Marketing		152
T&E		198
Consulting		(48)
Recruitment		47
Bad Debt		(6)
Other		(4)
Other		
CM Projects		10
3rd Party + Audit & Finance		266
SVB		8
Addbacks		(46)
May YTD Actual	8.697	(37)



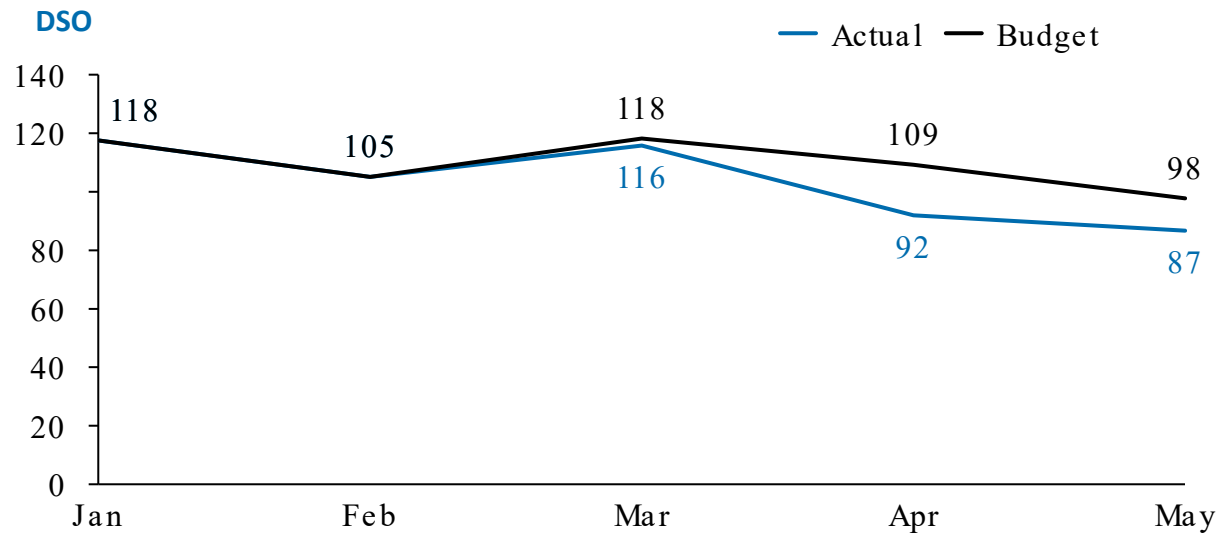
FINANCIAL STATEMENTS – P&L

	31.01.2020	29.02.2020	31.03.2020	30.04.2020		31.05.2020
	1M	1M	1M	1Q	1M	1M
Gross Revenue						
Total Recurring Revenue	1,202,1	1,363,1	1,312,5	3,877,7	1,307,3	1,351,7
Recurring Product	1,202,1	1,363,1	1,312,5	3,877,7	1,307,3	1,351,7
Cloud/SAAS	113,8	114,9	114,0	342,7	115,2	123,4
TBL	512,2	537,9	534,7	1,584,8	536,6	546,6
Maintenance & Support	576,1	710,3	663,8	1,950,2	655,5	681,8
Recurring Services	0,0	0,0	0,0	0,0	0,0	0,0
Total Non Recurring Revenue	365,7	394,6	521,1	1,281,3	419,6	396,6
Non Recurring Product	0,0	0,0	73,5	73,5	0,0	0,0
Professional Services	313,1	366,8	431,4	1,111,2	386,5	373,5
Training	52,6	27,8	16,2	96,6	33,2	23,1
Other	11,2	11,6	11,5	34,3	11,2	16,8
Net Revenue	1.579,0	1.769,2	1.845,1	5.193,3	1.738,1	1.765,1
Material				0,0		
Labor				0,0		
Hosting	0,0	48,7	36,7	85,4	67,6	33,0
Professional Services COGS				0,0		
Other COGS	-1,4	-12,6	-107,1	-121,2	-2,3	-1,8
Total COGS	-1,4	36,1	-70,4	-35,7	65,3	31,2
Gross Margin	1.580,5	1.733,1	1.915,5	5.229,1	1.672,9	1.733,9
Total Product						
Total Services						
Other	1.753,4	1.827,2	2.199,2	5.779,7	1.866,9	1.734,5
Total OPEX (excl D&A)	1.753,4	1.827,2	2.199,2	5.779,7	1.866,9	1.734,5
OpeX Overview						
Payroll	1.152,0	1.182,5	1.277,9	3.612,5	1.301,6	1.250,1
Overtime	0,0	0,0	0,0	0,0	0,0	0,0
Benefits	0,0	0,0	0,0	0,0	0,0	0,0
Bonus	73,0	73,0	79,3	225,3	75,1	0,0
Severance	0,0	0,0	0,0	0,0	62,9	0,0
Marketing	140,7	85,1	107,2	333,0	60,4	75,9
Commissions	20,5	62,3	21,6	104,4	42,9	0,0
Travel and Entertainment	100,5	91,1	36,4	227,9	0,1	0,0
Rent and Facilities	79,1	69,9	78,5	227,5	68,0	49,4
Insurance	20,6	28,0	18,3	67,0	21,7	29,1
Professional Fees (Consulting)	72,9	113,1	453,6	639,6	130,2	185,9
Utl., Repair, Maint., & Sec.	1,3	1,4	3,3	6,0	1,0	0,0
Office Expenses				0,0		
Safety and Training	10,7	4,4	6,2	21,3	14,4	8,9
IT (Software)	73,6	70,3	71,5	215,4	53,7	59,0
Bad Debt	-55,8	0,0	0,0	-55,8	0,0	5,8
Supplies				0,0		
FX	4,0	9,2	5,6	18,8	20,5	0,0
JV Loss (Income)	15,9	0,9	0,7	17,5	29,7	0,0
Other Expenses	44,3	35,9	39,1	119,4	-15,2	70,4
Total OPEX Overview	1.753,4	1.827,2	2.199,2	5.779,7	1.866,9	1.734,5
Reported EBITDA	-172,9	-94,1	-283,6	-550,6	-194,1	-0,6
Adjusted EBITDA	-144,1	-12,2	40,6	-115,7	-94,9	173,6
Adjusted EBITDA % Sales	-0,1	0,0	0,0	-0,1	-0,1	
Adjusted Cash EBITDA	2,094,1	-6,4	17,7	2,105,3	-799,2	249,4
Bank EBITDA	-172,9	-94,1	-283,6	-550,6	-194,1	-0,6
EBITDA Margin %	-0,1	-0,1	-0,2	-0,3	-0,1	
Depreciation	17,1	16,9	22,0	56,0	37,0	23,7
Amortization	0,0	0,0	0,0	0,0	0,0	0,0
Less: D&A	17,1	16,9	22,0	56,0	37,0	23,7
EBIT, reported	-190,0	-111,0	-305,7	-606,7	-231,0	-24,3
Interest and financial amortizat	1,4	0,0	0,1	1,5	0,0	0,0
Other financial income/expense	0,0	0,0	0,0	0,0	0,0	0,0
Non-financial income/expense	0,0	0,0	0,0	0,0	0,0	0,0
Monitoring fees (including expe	0,0	0,0	62,5	62,5	62,5	0,0
Restructuring costs				0,0		
Non-recurring items	0,0	0,0		0,0		
EBT, reported	-191,4	-111,0	-368,3	-670,6	-293,5	-24,3
Taxes	2,6	0,0	0,0	2,6	0,0	22,2
Net Income (Loss)	-193,9	-111,0	-368,3	-673,2	-293,5	-46,5

	31.01.2020	29.02.2020	31.03.2020	30.04.2020	31.05.2020
	1M	1M	1M	1Q	1M
Cash flow from operations					
Net Income (Loss)	-193,9	-111,0	-368,3	-673,2	-293,5
Depreciation, amortization and other	17,1	16,9	22,0	56,0	37,0
Capitalized fees & expenses				0,0	
Gain (loss) on sale of fixed assets				0,0	
Non-cash interest expense				0,0	
Non-cash dividends				0,0	
Deferred income tax				0,0	
<i>Change in operating assets and liabilities:</i>					
Accounts receivable	-2.167,7	-427,0	-475,7	-3.070,4	1.559,6
Inventory	0,0	0,0	0,0	0,0	-1,0
Prepaid expenses and other current assets	1,7	-86,3	115,6	31,0	-52,8
Accounts payable	-270,7	-106,6	201,5	-175,7	-197,2
Accrued expenses	44,8	-466,6	-93,5	-515,3	70,2
Accrued income taxes	213,7	454,9	-564,0	104,5	-138,5
Other changes in operating assets and liabilities	2.107,8	-30,7	417,5	2.494,5	-399,1
Other cash flow from operations	187,8	-12,4	-269,0	-93,6	-33,0
Total Cash Flow from Operations	-59,5	-768,8	-1.013,8	-1.842,2	591,2
Cash flow from investing					
Additions to property, plant and equipment	-6,1	-8,9	-89,6	-104,5	-3,3
Acquisitions of companies, net of cash acquired				0,0	
Investment in intangibles	0,0	0,0	0,0	0,0	0,0
Earnout payments				0,0	
Other cash flow from investing	0,0	0,0	-17,0	-17,0	0,0
Total Cash Flow from Investing	-6,1	-8,9	-106,6	-121,5	1,5
Cash flow from financing					
Proceeds from the issuance (repayment) of short-term				0,0	
Proceeds from the issuance of debt				0,0	
Repayment of debt				0,0	
Capital lease				0,0	
Common stock issued (repurchased)				0,0	
Common stock cash dividends paid				0,0	
Preferred stock issued (repurchased)				0,0	
Other cash flow from financing				0,0	
Total Cash Flow from Financing	0,0	0,0	0,0	0,0	0,0
Effect of FX rates on cash and cash equivalents	0,0	0,0	0,0	0,0	0,0
Net change in cash	-65,6	-777,7	-1.120,4	-1.963,7	587,9
Beginning cash	3.132,3	3.066,7	2.289,0	3.132,3	1.168,6
Change in cash	-65,6	-777,7	-1.120,4	-1.963,7	587,9
Ending cash	3.066,7	2.289,0	1.168,6	1.168,6	1.756,5
Ending cash	3.066,7	2.289,0	1.168,6	1.168,6	1.756,5

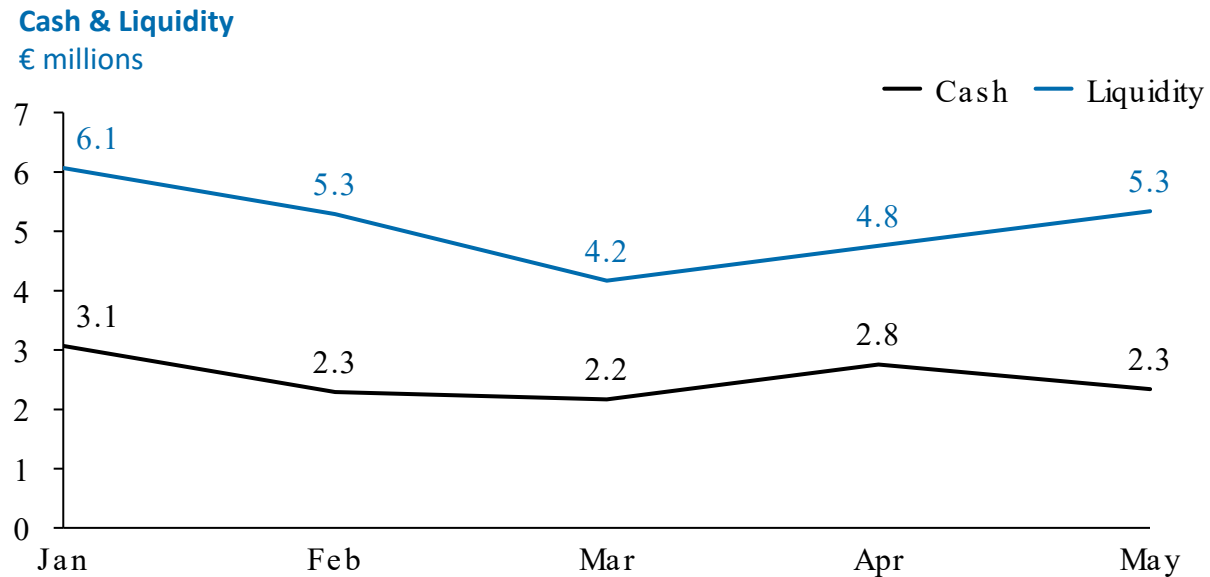
	31.12.2019	31.01.2020	29.02.2020	31.03.2020	30.04.2020	31.05.2020
	1M	1M	1M	1M	1M	1M
Current Assets						
Cash and cash equivalents	3.132,3	3.066,7	2.289,0	1.168,5	1.756,4	2.340,5
Short term investments	0,0	0,0	0,0			
Accounts receivable, gross	3.817,5	5.985,2	6.412,2	6.887,9	5.328,3	4.937,0
Accounts receivable, reserves	0,0	0,0	0,0	0,0	0,0	1,0
Accounts receivable, net	3.817,5	5.985,2	6.412,2	6.887,9	5.328,3	4.938,0
Inventory, gross	0,0	0,0	0,0	0,0	0,0	0,0
Inventory, reserves	0,0	0,0	0,0	0,0	0,0	1,0
Inventory, net	0,0	0,0	0,0	0,0	0,0	1,0
Prepaid expenses and other current assets	0,0					
Current portion of deferred taxes	0,0					
Revenue in excess of billings	743,9	736,0	700,7	644,0	559,4	563,3
Other current assets	168,3	166,6	252,9	137,3	151,6	204,3
Total Current Assets	7.861,9	9.954,4	9.654,7	8.837,8	7.795,7	8.047,2
Non-Current Assets						
Property, plant & equipment, gross	519,8	662,3	671,2	627,4	630,7	629,2
Accumulated depreciation	-36,6	-174,6	-191,5	-81,0	-117,2	-139,7
Property, plant & equipment, net	483,2	487,8	479,7	546,4	513,5	489,5
Goodwill	0,0	0,0	0,0	0,0	0,0	0,0
Identifiable intangible assets, gross	4.761,3	4.348,7	4.348,7	4.778,3	4.778,3	4.778,3
Accumulated amortization	0,0	-3,7	-3,8	-0,3	-1,3	-1,9
Identifiable intangible assets, net	4.761,3	4.345,0	4.344,9	4.778,0	4.777,0	4.776,4
Deferred financing cost	0,0	0,0	0,0	0,0	0,0	1,0
Deferred tax asset	4.284,7	4.072,2	4.080,2	4.346,0	4.375,9	4.316,7
Other non-current assets	0,0	0,0	0,0	0,0	0,0	1,0
Total Non-Current Assets	9.529,1	8.905,0	8.904,8	9.670,4	9.666,5	9.584,6
Total Assets	17.391,1	18.859,4	18.559,6	18.508,2	17.462,2	17.631,8
Current Liabilities						
Current portion of long-term debt						
Notes payable						
Accounts payable	814,0	543,3	436,8	638,3	441,1	506,7
Accrued liabilities	0,0	0,0	0,0	0,0	0,0	1,0
Accrued compensation	791,9	836,7	370,0	276,5	346,7	406,1
Income taxes payable	245,8	459,4	914,3	350,3	211,8	357,0
Short-term unearned revenue	5.159,3	7.397,4	7.403,2	7.380,3	6.676,0	6.751,7
Other current liabilities	1.113,6	1.187,8	1.107,9	1.225,9	1.416,7	1.343,9
Total Current Liabilities	8.124,5	10.424,7	10.232,3	9.871,4	9.092,3	9.366,5
Long-term liabilities						
Long-term debt less current maturities	0,0	0,0				
Capital lease	0,0	0,0				
Debt owing to OpenGate	0,0	0,0				
Deferred income taxes	1.536,2	1.402,0	1.402,0	1.536,2	1.536,2	1.536,2
Long-term unearned revenue	0,0	0,0	0,0	0,0	0,0	1,0
Deferred liabilities	0,0	0,0				
Other non-current liabilities	0,0	0,0				
Total Long-Term Liabilities	1.536,2	1.402,0	1.402,0	1.536,2	1.536,2	1.537,2
Total Liabilities	9.660,8	11.826,7	11.634,3	11.407,6	10.628,5	10.903,7
Commitments and contingencies	0,0	0,0	0,0	0,0	0,0	0,0
Shareholders' Equity						
Common stock	3.982,1	3.982,1	3.982,1	3.982,1	3.982,1	3.982,1
Preferred stock	0,0	0,0	0,0	0,0	0,0	1,0
Capital in excess of stated value	4.050,9	4.050,9	4.050,9	4.050,9	4.050,9	4.050,9
Retained earnings	3.728,8	3.797,9	3.801,4	3.917,5	3.944,1	3.883,0
Accumulated other comprehensive income	-4.031,5	-4.798,2	-4.909,2	-4.850,0	-5.143,5	-5.189,9
Other equity transactions	0,0	0,0	0,0	0,0	0,0	1,0
Total Shareholders' Equity	7.730,3	7.032,7	6.925,3	7.100,6	6.833,7	6.728,1
Total Liabilities and Shareholders' Equity	17.391,1	18.859,4	18.559,6	18.508,2	17.462,2	17.631,8

CASH MANAGEMENT



Management Discussion

- DSO: Strong liquidity management
 - Close monitoring of due invoices
 - Very frequent and timely collection emails/calls
 - Good teamwork with Sales
- DPO: Stretching of A/P
 - Certain vendors w. large due invoices have been stretched to 6+ months in some cases



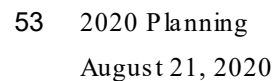
13 WEEK CASH FLOW

	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Total
	26-Jun	3-Jul	10-Jul	17-Jul	24-Jul	31-Jul	7-Aug	14-Aug	21-Aug	28-Aug	4-Sep	11-Sep	18-Sep	
Cash on Hand (beginning of week)	1,883,055	1,701,898	3,248,583	3,153,205	2,978,881	2,883,503	1,688,164	2,398,624	2,227,514	2,135,349	961,220	3,011,390	2,953,319	
Forecasted Collections		1,703,526					1,675,842				1,668,447			
Adjustments		1,156,019					-475,520				567,360			
Collections on Sales	0	2,859,545	0	0	0	0	1,200,322	0	0	0	2,235,807	0	0	6,295,675
OPERATING CASH FLOW														
COS														
External services		-110,718					-126,753				-123,893			
OPEX														
Personnel Costs		-1,197,671		-78,944		-1,099,960		-78,944		-1,081,964			-78,944	
Sales Commission														
Premises		-65,808					-63,183				-63,183			
Taxes, Insurance, Contribution	-6,284	-6,147	-6,037	-6,037	-6,037	-6,037	-6,584	-6,584	-6,584	-6,584	-6,584	-6,584	-6,584	
Automobile	-1,096	-1,068	-1,048	-1,048	-1,048	-1,048	-1,148	-1,148	-1,148	-1,148	-1,148	-1,148	-1,148	
Marketing	-27,824	-27,098	-26,614	-26,614	-26,614	-26,614	-29,149	-29,149	-29,149	-29,149	-29,149	-29,149	-29,149	
Travel expenses	-1,136	-5,534	-5,435	-5,435	-5,435	-5,435	-8,333	-8,333	-8,333	-8,333	-16,667	-16,667	-16,667	
Communication, office equipm.	-3,028	-2,949	-2,897	-2,897	-2,897	-2,897	-3,173	-3,173	-3,173	-3,173	-3,173	-3,173	-3,173	
Consulting	-6,818	-6,640	-6,522	-6,522	-6,522	-6,522	-7,143	-7,143	-7,143	-7,143	-7,143	-7,143	-7,143	
Professional training	-455	-443	-435	-435	-435	-435	-476	-476	-476	-476	-476	-476	-476	
Recruitment	-1,250	-1,217	-1,196	-1,196	-1,196	-1,196	-1,310	-1,310	-1,310	-1,310	-1,310	-1,310	-1,310	
Software	-14,362	-13,987	-13,737	-13,737	-13,737	-13,737	-15,045	-15,045	-15,045	-15,045	-15,045	-15,045	-15,045	
Leasing	-2,659	-2,590	-2,544	-2,544	-2,544	-2,544	-2,786	-2,786	-2,786	-2,786	-2,786	-2,786	-2,786	
Other costs	-8,811	-8,581	-8,428	-8,428	-8,428	-8,428	-9,230	-9,230	-9,230	-9,230	33,198	33,198	33,198	
CM Projects	-1,364	-14,947	-14,680	-14,680	-14,680	-14,680	-1,429	-1,429	-1,429	-1,429	-1,429	-1,429	-1,429	
3rd Party Consultants		-79,593					-92,546				-106,352			
Audit & Finance	-100,000	-71,500					-1,500				-28,500			
Counsel														
SVB Fees		-3,750					0				0			
Adjustments		379,126					-102,587				205,952			
Total Operating Disbursements	-175,087	-1,241,115	-89,572	-168,517	-89,572	-1,189,533	-472,374	-164,750	-85,806	-1,167,770	-167,686	-51,711	-130,656	-5,194,151
Net Operating Cash Flow	-175,087	1,618,430	-89,572	-168,517	-89,572	-1,189,533	727,948	-164,750	-85,806	-1,167,770	2,068,121	-51,711	-130,656	1,101,524
INVESTING & FINANCING CASH FLOW														
Interest Expense		-3,333					-3,333				-3,333			
Loan principal payment														
Revolver														
Taxes														
CAPEX	-6,070	-5,912	-5,806	-5,806	-5,806	-5,806	-6,359	-6,359	-6,359	-6,359	-6,359	-6,359	-6,359	
Other Non- Operating		-62,500					-7,796				-8,259			
Total Cash Flow from (for) Investing & Financing Activities	-6,070	-71,745	-5,806	-5,806	-5,806	-5,806	-17,488	-6,359	-6,359	-6,359	-17,951	-6,359	-6,359	-168,275
Net Cash Flow	-181,157	1,546,685	-95,379	-174,323	-95,379	-1,195,339	710,460	-171,109	-92,165	-1,174,129	2,050,169	-58,070	-137,015	933,249
Cash Position (end of week)	1,701,898	3,248,583	3,153,205	2,978,881	2,883,503	1,688,164	2,398,624	2,227,514	2,135,349	961,220	3,011,390	2,953,319	2,816,304	

ADDBACK DETAILS

Addbacks:	Jan	Feb	Mar	Apr	May	YTD Act	YTD B	Var
Bird & Bird	6,150	-	30,152	-		36,302	6,150	30,152
Dr. Nauser	5,861	-	-	-		5,861	5,861	0
AR - Sonstige Erträge #4930	-	9,150	-	-		9,150	9,150	0
Sonstige Erträge (Verkauf Tesla SST)	-	-	-	-		0	-	0
Ellorbrock	-	2,820	5,643	1,000	1,504	10,967	-	10,967
MVA	10,980	-	20,200	10,200	9,000	50,380	43,800	6,580
CM Projects	10,980	2,820	25,843	11,200	10,504	61,347	43,800	17,547
Lewis Lee	5,861	20,595	32,012	3,959		62,427	35,415	27,012
Beckway Group	-	37,665	8,700	47,412	38,100	131,877	97,554	34,323
Pointer CF	0	11,610	8,050	15,240	13,060	47,960	58,110	-10,150
Consulting	5,861	69,870	48,762	66,611	51,160	242,264	191,079	51,185
Audit for 2nd half of 2019	-	-	5,800	0	0	5,800	32,000	-26,200
Closing	-	-	168,000	-50,985	89,985	207,000	168,200	38,800
PPA	-	-	23,175	27,810	0	50,985	27,000	23,985
IFRS conversion	-	-	22,500	0	0	22,500	72,500	-50,000
Audit & Finance	-	-	219,475	-23,175	89,985	286,285	299,700	-13,415
Total	28,852	81,840	324,231	54,636	151,649	641,209	555,740	85,469

Preview only – not final



CONSULTANT UTILISATION BY MONTH FOR YTD

Improving Utilization

Europe

	Jan	Feb	Mar	Apr	May
consultant-201	83%	78%	88%	84%	100%
consultant-120	66%	74%	78%	77%	84%
consultant-236	84%	94%	95%	91%	96%
consultant-224	69%	68%	53%	0%	13%
consultant-57	95%	81%	86%	51%	37%
consultant-196	N/A	N/A	N/A	N/A	N/A
consultant-184	0%	0%	95%	28%	0%
consultant-13	0%	0%	0%	0%	0%
consultant-242	91%	100%	N/A	98%	93%
consultant-210	30%	0%	18%	86%	100%
consultant-62	85%	66%	97%	88%	90%
consultant-48	9%	14%	49%	0%	33%
consultant-69	66%	63%	92%	0%	0%
consultant-243	88%	83%	83%	84%	95%
consultant-36	89%	87%	91%	91%	87%
consultant-182	112%	93%	94%	99%	87%
consultant-117	61%	73%	87%	76%	80%
consultant-55	58%	102%	94%	94%	96%
consultant-240	48%	19%	67%	73%	68%
consultant-46	83%	86%	102%	38%	21%
consultant-27	0%	0%	0%	0%	0%

USA

	Jan	Feb	Mar	Apr	May
consultant-30	80%	78%	92%	72%	N/A
consultant-179	6%	0%	62%	17%	89%
consultant-214	20%	38%	26%	15%	10%
consultant-777	11%	32%	69%	93%	84%
consultant-245	N/A	N/A	N/A	N/A	N/A
consultant-66	0%	0%	39%	40%	82%
consultant-202	24%	35%	32%	6%	48%

- > Utilization has been stable between April and May in Europe and has improved in the USA.
- > Percentage based analysis considers public holidays, holidays, parental leave and sabbaticals.
- > Pure billability figures. Finer grained reporting for value driving topics in progress and we can report for June at next MOR.
- > N/A are for exits, parental leave, sabbaticals or role transitions.



CONSULTING RATES IN MAY

Continuing stable rates. Lower for some large engagements to secure long-term commitments

client	Role	Euro Rate	Hours
Australian Broadcasting Corporation - ABC	Senior Technical Consultant	169.625	152
	Technical Consultant	147.5	136
Emerson Electric Co.	Senior Technical Consultant	197.8	137.75
	Technical Consultant	161	85
Esprit Europe GmbH	Senior Technical Consultant	150	40
Essilor International S.A.	Technical Consultant	181.25	16
Farfetch UK Limited	Senior Technical Consultant	173	186
	Technical Consultant	154.5	128
Hilfiger Stores B.V.	Senior Technical Consultant	140.6	247
	Technical Consultant	124.3	261
Life Fitness	Senior Technical Consultant	230	17
NEXT Group PLC	Senior Technical Consultant	112	139
Nation Media Group Limited	Senior Technical Consultant	159.38	56
Tractor Supply Company	Senior Technical Consultant	230	150
	Technical Consultant	184	80
Under Armour Inc	Technical Consultant	184	56
Yoox Net-a-Porter Group S.p.A.	Senior Technical Consultant	187.5	283

