

Acconsis

Verstehen. Gestalten. Bewahren.

Annual Report

for the financial year

from 1 January 2020 until 31 December 2020

2020





Acconsis

**Herzlich
Willkommen!**

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1. ACCONSIS Group

1.1 General

The ACCONSIS Group (www.acconsis.de) consists of the

- ACCONSIS GmbH Tax Consulting Company,
- ACCONSIS GmbH Auditing Company
- ACCONSIS GmbH Rechtsanwalts-gesellschaft as well as the
- ACCONSIS Holding AG Steuerberatungsgesellschaft.

Think ahead!

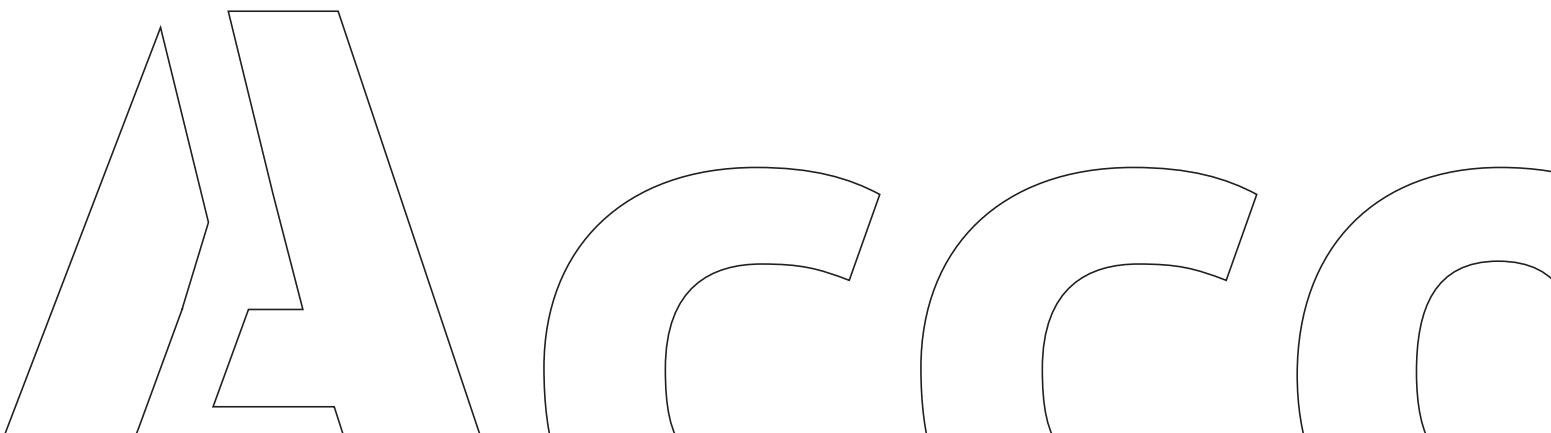
ACCONSIS is more than a consulting company, because we set the decisive point and always think one step ahead to develop service solutions for our clients that meet their needs. Based in Munich, we serve owner-managed businesses and family-owned companies in Germany and abroad. Freelancers and private individuals are also the focus of our individual tax advice, auditing, legal advice and private solutions.

Our more than 100 dedicated employees ensure that excellent support and assistance in all asset-specific areas of expertise is provided to our multi-faceted clientele with competence, empathy and value orientation.

The more than 2,000 clients are supported in a wide variety of areas, both in business and private economic matters. The client relationships have often grown over years to decades and ACCONSIS continues to develop with its clients.

A rough overview of the focus areas and clients:

- Medium-sized companies, such as
Tradesmen & Commerce
- Manufacturing industry
- Craft, construction
- Real estate industry
- Professionals and Freelancers, such as physicians,
medical professions & healthcare
- Hotel industry / gastronomy
- Public institutions/ municipalities
- Foundations
- Real estate owners
- Internationally operating companies
- Non-profit associations and institutions
- Start-ups and founders



The ACCONSIS Group generated the following sales revenues in 2020:

2020: KEUR 11,258 | 2019: KEUR 10,115

2018: KEUR 9,013 | 2017: KEUR 8,490

The company is managed by its owners, who are actively involved in the company as board members and managing directors and are responsible for various parts of the company.

The magazines FOCUS, Handelsblatt, Manager Magazin and DATEV have again awarded ACCONSIS for 2020:

- **"TOP Tax Firm 2017 -2020"** (FOCUS)
- **"Best Tax Consultants 2020"** (Handelsblatt)
- **"Best Auditors 2020"** (Handelsblatt)
- **"Germany's best auditors 2018/19 & 2020/2021"** (Manager Magazin)
- **"Best Tax Consultants & Auditors 2020"** (brand eins)
- **DATEV Digital Service Company 2019 & 2020**



We are therefore one of the best law firms in Munich!

1.2 Tradition and dynamics

With its predecessor company, ACCONSIS can look back on 60 years of trusting and very personal cooperation with its clients. Stefan Herzer, Dr. Andreas Hofner and Wolfgang Stamnitz led the Munich office on a growth course.



The company continuously follows its own trend, which is equally characterized by tradition and dynamism.

ACCONSIS recognizes that client requirements and the market are constantly changing. Rising personnel costs, global competition and digitalization challenge ACCONSIS and its clients to use resources more effectively and to be more selective in the range of consulting services they offer.

The tax, business and legal advisory professions are undergoing massive change. In the coming years, we will increasingly be confronted with the fact that entire job profiles will be automated and replaced as a result of digitalization.

Therefore, ACCONSIS would like to deal with the issue already now and consider how to position the company for the future in order to meet the requirements of the clients and the market, but also to be able to guarantee a safe workplace for the employees.

ACCONSIS Objectives:

- **ACCONSIS is a company, a brand, which is consistently managed in a customer-oriented manner.**
- **Our services and solutions are structured in such a way that we place the needs of our clients at the centre of all our considerations.**

For this reason, the ACCONSIS Zukunftswerkstatt (Future Workshop) was also launched at the beginning of 2019 to work together with employees on our future.

The motto here:

The ACCONSIS Future Workshop - We shape the future

For more details and information, see 2.7 ACCONSIS Future Workshop.





1.3 Philosophy - what ACCONSIS stands for

For a successful future, we are guided by the following values and principles:

Market leadership

We aim to be the market leader in our target group in the Munich metropolitan region.

Value added

We create value with a profitable business, in a rapidly changing environment in our industry. This enables us to make the necessary investments.

We thus offer attractive, secure jobs and can guarantee good pay. This increases the value of the company, but also the market value, of the employees working for us. This is what the ACCONSIS brand stands for.

Customer orientation

Through individuality, ambition, competence and inventiveness, we are among the best in our industry and set standards; we are "closer" to our clients. Special empathy is the prerequisite for our progressive and long-term client care.

Target group

We focus on owner-managed medium-sized businesses, freelancers, non-profit organizations, nationally active companies from Germany and abroad, as well as wealthy private individuals.

Attractiveness

We want to be in demand again and again through attractive assignments. This gives us opportunities, provides us with better experience, expands our network and creates career opportunities for our employees. In our company, employees can realize their own potential better than anywhere else.

Our company should also always be attractive for our customers, employees, suppliers and shareholders: whether for a family succession of the owners or for our professionals, whom we invest in the company through shares. This is an important anchor of stability for all of us.

Further development of ACCONSIS by expanding the areas

- Business Solution
- Private Solution
- Tax consulting
- Legal advice
- Personnel management
- Auditing
- Wage
- Corporate Finance

Since the comprehensive consulting of our clients is at the center of our activities, the business areas were expanded this year to include the areas of ACCONSIS financing consulting and ACCONSIS management consulting.

This enables us to offer our clients a full range of consulting services from a single source. Corona consulting and support in applying for state aid were also an important component of our consulting services in 2020.

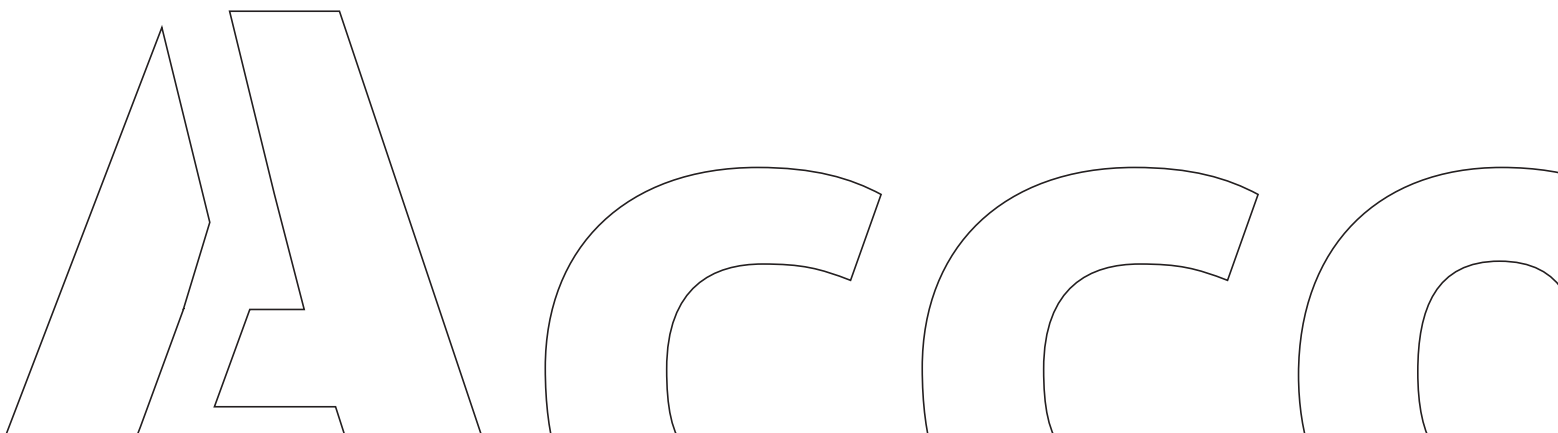
2. Business units

2.1 Product areas

2.1.1. Audit

ACCONSIS practices auditing with a consulting-oriented approach. When medium-term orientation is sought for a company or a comparable institution, risks are to be identified and compensated for, and new perspectives are to be opened up, our experience and expertise help.

The classic statutory, voluntary and statutory audits of annual financial statements and consolidated financial statements in accordance with US-GAP, HGB and IFRS form the basis of our service approach.



The range of activities is supplemented by special audits for various reasons (due diligence, HGrG and MaBV). Expert opinions for various reasons and business consulting round off the range of activities.

We are particularly proud to have been named "Germany's Best Auditors" in the category "Medium-sized Companies" by Manager Magazin, as well as "Best Auditors 2020" by Handelsblatt. Overall, only a few firms in Germany bear these two seals of 2020.

2.1.2 Tax Consulting

ACCONSIS offers all services of qualified tax consultancy. It represents the interests of clients in current tax matters, supports them in external tax audits (tax audits) as well as in extrajudicial and fiscal court proceedings.

Our qualified tax advice is also important for the security of asset development because of the rapidly changing tax law. We represent our clients' interests vis-à-vis tax authorities and stand by them during tax audits.

We support clients who are active across borders with our advice on questions of international tax law.

As part of our services for entrepreneurial clients, we undertake the preparation of annual financial statements and special balance sheets.

One focus of the activities is the active structuring advice by highly qualified professionals, also in questions of international tax law.

2.1.3 Legal Advice

The ACCONSIS legal consultancy services companies in particular in all legal matters concerning

- Check of the legal positioning
- Commercial and corporate law
- Tax procedural law
- Criminal tax law
- Self-disclosure
- Commercial law

- Corporate transactions
- Labor law
- Tenancy law
- Inheritance law
- General civil law
- Mediation and out-of-court conflict resolution
- Interdisciplinary competence

FOCUS has again awarded ACCONSIS as a TOP tax firm 2020, among others for the field of activity **"Inheritance & Donation"**, as well as the field of activity **"Tax Law Advice/Criminal Tax Law."**

2.1.4 Management Consulting

In management consulting, ACCONSIS supports clients in financial management, especially in controlling, as well as in earnings and liquidity planning. Accompanying financing discussions with banks is just as much a part of the scope of duties as support in personnel decisions and in entrepreneurial change processes.

FOCUS has awarded ACCONSIS as a TOP tax law firm 2020 for, among others, the work areas **"business management consulting"** and **"transformation, restructuring and M&A"**, as well as **"energy management"**.

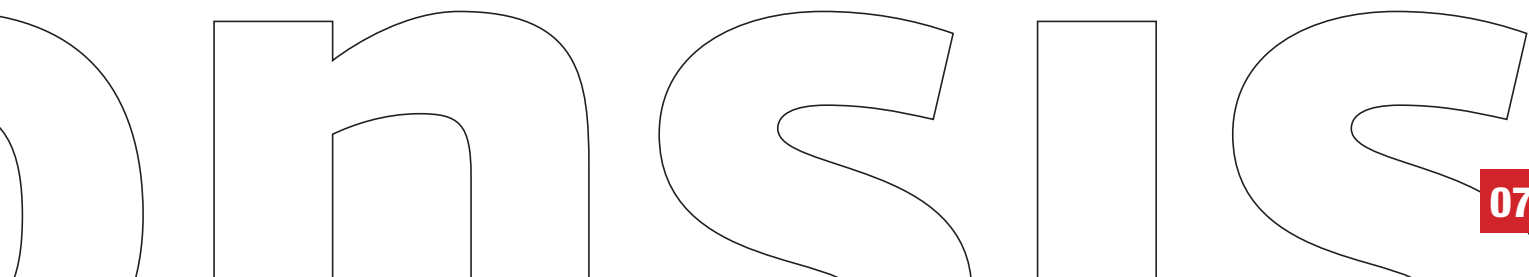
2.1.5 Financing Advice

With the implementation of the financing consulting ACCONSIS is able to expand its services in the business field **"all around real estate"** once again.

Qualified consulting, which is oriented to the needs of the clients, is always in the foreground.

In line with the motto **"concept beats condition"**, individual financing concepts for real estate investments in both the private and commercial sectors are drawn up with the involvement of the other business units.

As a link between clients, tax experts, lawyers and financing institutions, we develop and implement sustainable financing strategies with and for our clients.



Due to numerous contacts with various banks, financing inquiries are advised and placed throughout Germany in both the residential and commercial segments.

Further network partners in the real estate sector can be accessed for the planning and implementation of real estate projects, or also for the purchase or sale of a property.

2.1.6 Business Services - Quality and profitability through outsourcing

With various outsourcing offers, we relieve our medium-sized clients and German subsidiaries of foreign companies of tasks that are not part of their core competencies, such as accounting, personnel administration and development, and payroll accounting.

2.1.7 Accounting and Bookkeeping

With a wide range of services in accounting, ACCONSIS relieves clients of the burden of keeping books and preparing monthly business evaluations, right through to processing complete payment transactions, e.g. through "Unternehmen Online".

Outsourcing accounting is a doubly rewarding step for companies that value very lean structures. ACCONSIS relieves, for example, from the tasks of finance and cash management, including the processing of payment transactions, the preparation of monthly income statements, the introduction of cost accounting, calculation and budgeting - thus concisely supporting the quality of financial management. But also from the commercial dunning process.

2.1.8 Personnel Management

The "Personnel Administration" service offers clients a comprehensive catalog of services relating to the topic of "personnel". The management of payroll accounts with ongoing payroll accounting, maintenance of master data, handling of correspondence with authorities, insurance companies and employers' liability insurance associations, support for payroll tax and social security audits, to name just the most important services.

FOCUS has awarded ACCONSIS as a TOP tax firm and in 2020, among other things, very specifically for the field of activity **"Human Resources"**.

2.1.9 Private Solutions - excellent asset performance

A small group of private individuals sometimes carries the burden of very large assets. We accompany our clients both permanently in family office projects as well as with ad hoc measures and support them in protecting and developing their assets in a far-sighted, wise as well as entrepreneurially efficient manner.

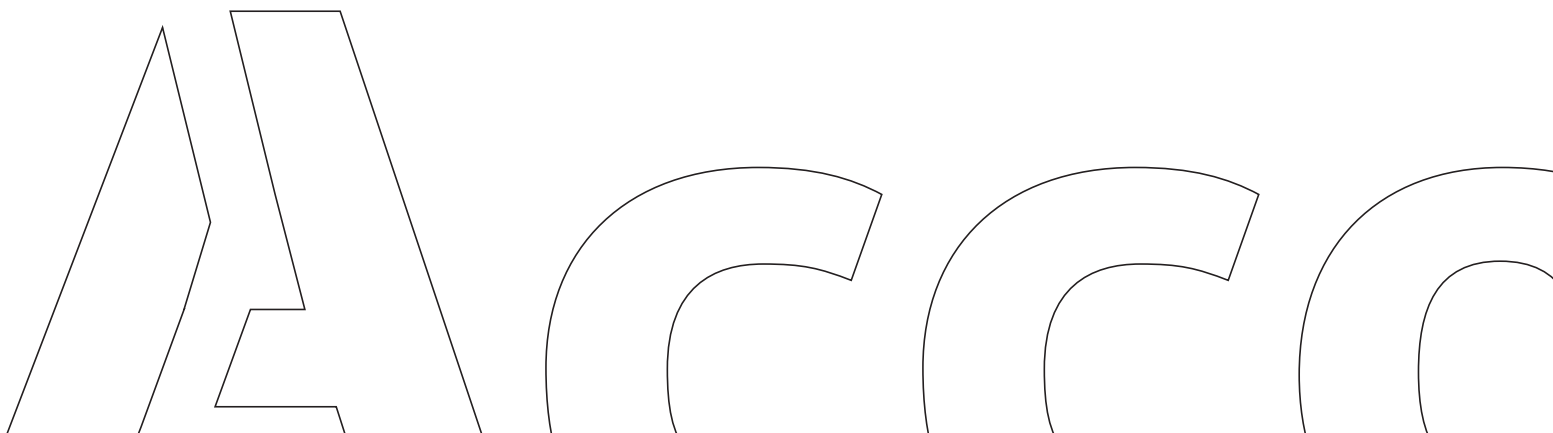
ACCONSIS does not provide investment advice, but works with clients to design strategies for the protection and development of their assets and assists in the selection and supervision of qualified investment advisors. Our auditors support our clients in mergers and acquisitions, among other things with valuations and due diligence, in order to create a solid assessment basis for decisions with far-reaching consequences.

We treat taxes as an essential factor in active wealth development and develop customized concepts for our clients. We consistently consider estate and inheritance in their wealth strategy, both from a legal and a tax perspective. With our legal advice, we defend their interests and protect them against encroachment by others, if possible already through prevention.

The execution of wills is one of our tasks in serving wealthy private clients, based on special personal trust. Where requested by our clients, we act as a proxy in a fiduciary capacity, in the exercise of shareholder rights or by managing the assets of third parties.

When it makes sense, ACCONSIS supports the establishment of a "Single Family Office". In the case of widely branched families and complex asset structures, it can make a lot of sense for the staff to focus entirely on the family or the community of owners.

However, it is almost always advisable to start with the use of a multi family office. The service concept of the future single family office is defined on the basis of practical experience. The base of lenders is then gradually put together and the management and control routines installed.





2.1.10 International expansion

The clients of ACCONSIS are also fully supported in international tax, legal and business issues through the membership in the Allinial Global association.



Through this association we have access to competent partners in all important economic centers of the world. Through this partnership it can be ensured that there is a respective competence on site, which is familiar with the respective economic region, as well as the culture. Processes are efficiently coordinated in the respective country - here, too, the high quality awareness of ACCONSIS plays a leading role.

Companies from other countries that set up a branch or subsidiary in Germany want to become operational as quickly as possible. They have a heightened awareness of the tasks they should keep in-house to ensure their success, and those services that other experts can perform more cost-effectively and as well or better than they can. Human resources services are particularly beneficial during the start-up phase, when the staff base is being built up.

The clients are supported in operations and expansion in all economic regions of the world. In the case of export expansion, support is provided directly in the target markets. ACCONSIS also builds bridges and offers security when cooperation partners are sought or global sourcing is to be advanced.

2.2 Organization

ACCONSIS is still on a strong growth course. It is regularly necessary to integrate individual employees or even law firms into the processes of ACCONSIS. Because we strive to maintain high quality standards despite increasing employee numbers, existing processes are continuously revised and optimized and uniform standards are implemented for all employees.

The ongoing development of IT and digitalization also means that we are constantly adapting our working methods to current conditions.

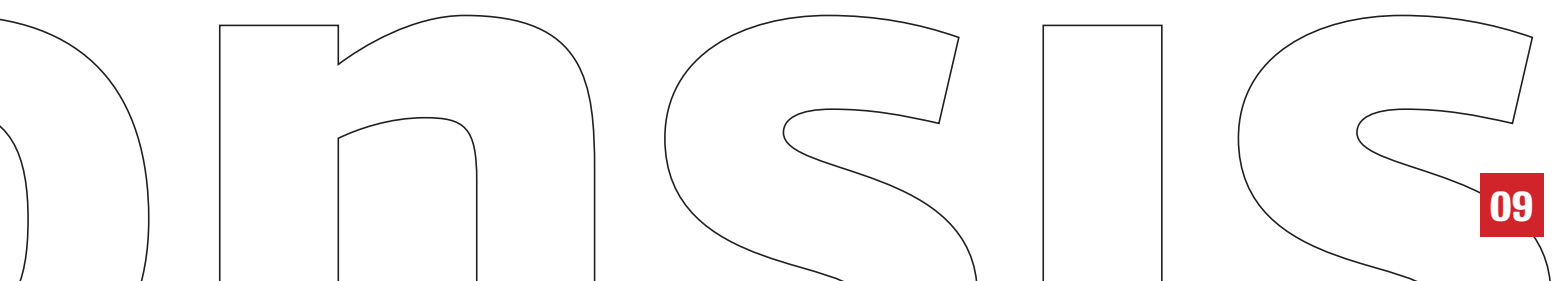
In April 2020, ACCONSIS once again received the DATEV seal of approval **"Digital Service Company"**.

We are pleased to have our digital competencies and a future-oriented cooperation with our clients confirmed.

Already in the past, ACCONSIS has strongly promoted mobile working to offer employees the greatest possible flexibility in terms of work location. This greatly benefited the organization in the spring of 2020 during the first Corona lockdown. Within a very short time, all employees were able to switch to mobile working and the processing of orders was completely digitized, from document preparation to signatures.

From one day to the next, the entire ACCONSIS became a "future workshop".

What our Future Workshop (Zukunftswerkstatt, ZKW) employees had envisioned in 2019 as "working in the future" and tested in small groups (more modern work





equipment to support workplace flexibility, digitization of receipts, digital platforms for efficient data exchange with customers, etc.) suddenly became reality and has proven itself in practice for everyone.

By providing needs-oriented “tips and tricks”, as well as with learning videos for mobile working, employees were supported as needed during the acute changeover phase.

In 2020 the focus of the organizational work was on the design of two key projects:

1. XRM-Tool „ConRat“

The project “ConRat” will include two axes:

a) Customer Relationship Management (CRM)

to optimize our service to potential and existing clients

b) Workflow Management (WFM)

for the efficient design of our performance processes, which we support as far as possible with systems technology in order to focus the work of our employees on value-adding activities.

A complex selection and negotiation process with various providers produced a preferred service provider here, with whom the technical prerequisites for a project kickoff in 2021 were ensured.

2. Capacity planning tool “in.plan“

With the help of our service provider Ingentis, we have significantly further developed the capacity planning “in.plan” for the needs of ACCONSIS and ensured a write-back of data to the DATEV software EOC. The system was tested in an initial phase and is to be rolled out by mid-2021.

In.plan gives everyone involved more transparency about the planning and distribution of orders to the capacities available to us. This creates the prerequisite for efficient use of our resources and enables us to adjust our personnel capacities with foresight.

2.3 Personnel

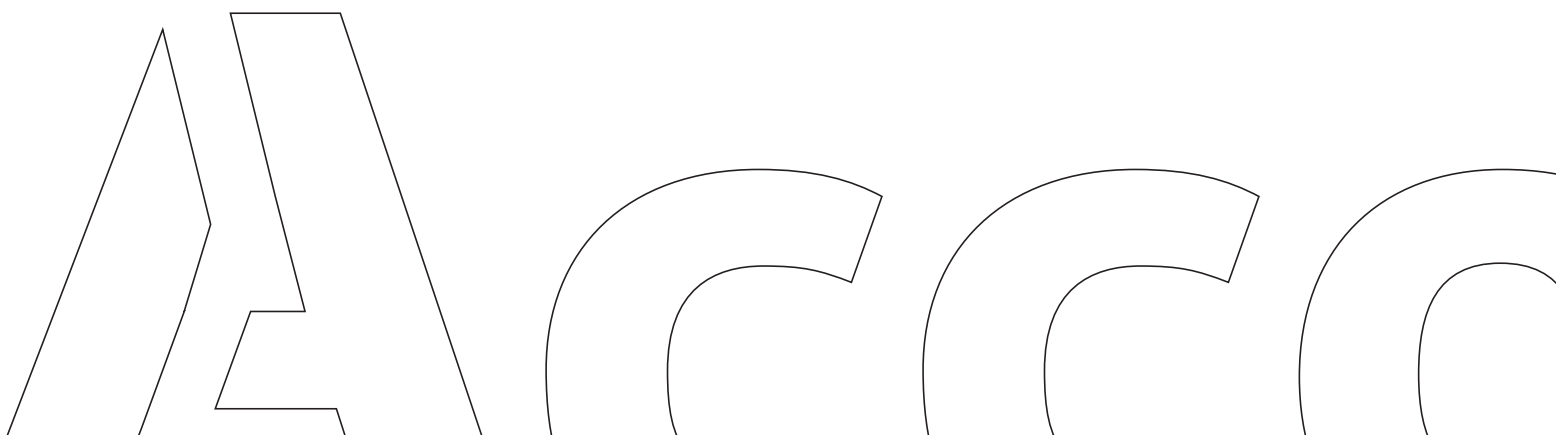
Flexibility and powerful capacities

ACCONSIS employed a total of 99 employees in fiscal year 2020 and was thus able to increase the number of employees by approximately 15% compared to the previous year. This allows us to react flexibly even to larger inquiries and to process the tasks set in a qualified and timely manner.

The ACCONSIS was able to increase the number of professionals to 29. This means that even complex tasks can be performed responsibly in accordance with professional requirements to be edited.

Professionals 31.12.2020

Certified Public Accountant / Tax Consultant	5
Lawyer/ Tax Consultant	1
Tax Consultant	17
Lawyer	6
Total	29



Cert. Public Accountant/				
Tax Consultant	3	3	3	5
Lawyer/Tax Consultant	1	1	1	1
Tax Consultant	8	11	12	16
Lawyer	5	5	5	5
Total	17	20	21	27

ACCONSIS is a family-friendly company and attaches great importance to the compatibility of family and career. It therefore enables its employees to have customized working time models that are geared to the employees' personal life situation and thus make a significant contribution to increasing employee satisfaction.

To further promote motivation and satisfaction, employees were already offered the option of mobile working in 2019. For us, employee attendance is not the decisive factor for performance assessment. We are convinced that employee productivity increases when long commutes to the office are eliminated or more flexibility is offered in terms of time and space to better reconcile family concerns.

After the pandemic began in March 2020, our digital processes and working methods enabled us to switch completely to mobile working within a very short time. In 2020, we enabled almost all employees to work completely mobile in order to protect the health of our employees from infection in the best possible way.

Acconsis AKADEMIE

The "ACCONSIS Academy" offers employees customized in-house training by internal instructors, external technical and program specialists, as well as e-learning offerings directly on-site at ACCONSIS.

The continuing education and training of our employees was also a major concern for us in the Corona year 2020. Therefore, the planned seminars and events were successfully replaced and further expanded by e-learning offers or online lectures.

In order to continue to develop ACCONSIS into an attractive employer brand, regular joint excursions and events take

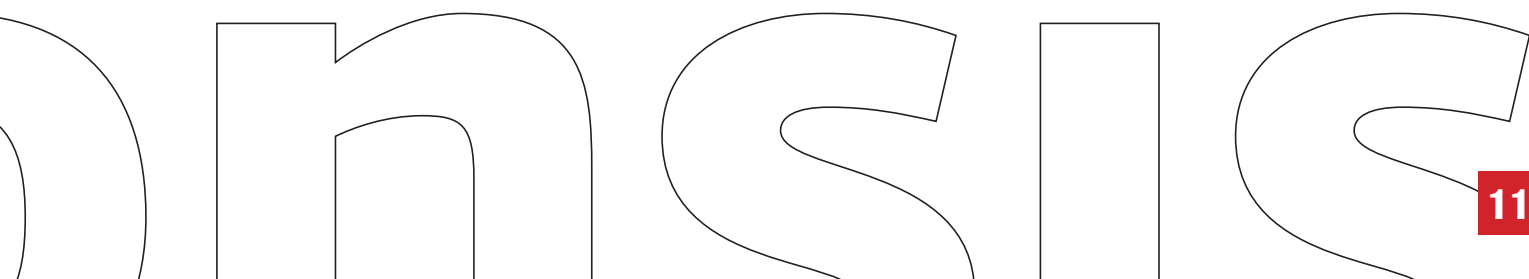
place that actively promote employee exchange and community. In 2020, for example, we did not forgo a Christmas party, but instead used our digital capabilities for a celebration with an online address and a joint online game.

We are particularly proud of our long average length of service, which is almost 10 years at the end of 2020, despite the steady growth of our workforce.

The satisfaction of our employees is also reflected in our positive employer ratings on the "Kununu" rating platform (Top Employer in Munich), as well as the LSWB's **"Excellent Employer 2020/2021"** employer award.

The most frequently cited reasons employees # give for working at ACCONSIS:

- Opportunity to actively participate in the growth of a successful and future-oriented company
- The opportunity to learn new, modern techniques, work equipment and methods as part of the ACCONSIS Future Workshop, and to try out new forms of cooperation
- Challenging, autonomous activity at a modern workplace with performance-based, above-average compensation and best public transport accessibility
- Continuous, attractive internal and external training opportunities within the framework of our ACCONSIS Academy and regular employee feedback conversations
- Personal appreciation in a familiar working atmosphere with flat hierarchies and short decision paths
- Team events and a lot of fun besides the work in a friendly and motivated team of employees who on average have been with us for more than 10 years
- Compatibility of family and career through individual, flexible working time models and the possibility of mobile work





2.4 Marketing

ACCONSIS - what does that mean, what do we stand for?

The ACCONSIS team is

- individual
- ambitious
- imaginative
- competent

Our brand essence is "Closer to home". But what exactly does that mean?

"Being close to our clients is how we see ourselves in order to develop optimal solutions. As an overarching team, we listen actively and ensure with a high level of empathy that you feel personally and competently advised."

Our goal is to make the ACCONSIS brand tangible. That means we want to fill the values of the company with life and also live these vis-à-vis our

- Employees
- Clients and interested parties
- Partners and multipliers
- International partners
- Media, press and in public

The "ACCONSIS ... surprisingly different! Thought ahead" should be perceptible for all. Based on a clear marketing plan, target-oriented measures will be taken to provide existing clients with even more comprehensive advice and support in the future and to win new clients for ACCONSIS.

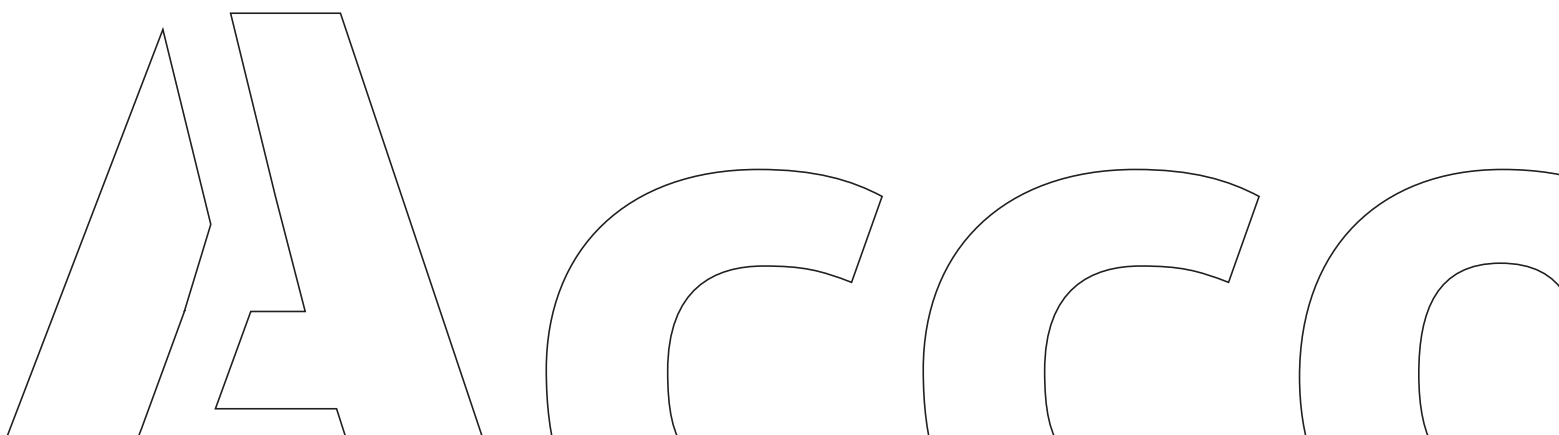
Cooperations & Partnerships

To this end, we have also further expanded our cooperation with DEHOGA Bayern, HOGA, BTG, IHK München und Oberbayern, manager magazin and DATEV.

In the international environment, we maintain our close cooperation with Allinial Global - an international partnership for the mutual support of auditors and tax advisors worldwide.

As a valued and competent partner, we have developed a guideline on proper cash management in cooperation with the LSWB (Landesverband der steuerberatenden und wirtschaftsprüfenden Berufe in Bayern), the Bavarian State Chancellery and DEHOGA Bayern to provide legal certainty for companies in the hotel and restaurant industry.

ACCONSIS also provides support in regular BTG training sessions on the topic of **"Tatort Kasse - Stimmt die Kasse?"** and provides information on key issues such as procedural documentation and cash inspection.



ACCONSIS Events & Mailings

In general, our proactive consulting services always focus on concrete reasons for consulting and topics that are highly relevant to our clients.

These topics are presented as part of postal mailings, newsletters, social media posts or the ACCONSIS INSIDE - Insider Talk event series.

Acconsis

INSIDE

The event format, which has been successfully established since 2017, is now held several times a year with regularity due to the high number of participants and positive feedback. Our main topics are chosen in such a way that they are of interest to private individuals as well as entrepreneurs and companies.

Due to Corona, only the first event in January 2020 took place as a face-to-face event. The rest of the event series was successfully converted to online seminars. We were able to welcome several hundred external guests at our ACCONSIS-ONLINE events.

Acconsis

INSIDER-ONLINE

The INSIDER Online 2020:

- **Real estate as an investment - sensible tips!**
What is really worthwhile from an economic, tax & legal perspective?
- **I'm off then ...**
How do I pack my personal emergency kit?
Important tips for personal emergency planning
- **Redevelop instead of resigning!**
Up-to-date information on your crisis and insolvency situation
- **How do I prepare for an emergency?**
General & health care power of attorney, care & living will, bank power of attorney
- **Real estate as a stable asset**
Real estate, a worthwhile investment - what is important to consider?



Public Relations & Digital Presence

ACCONSIS also focuses on public relations work through publications, as well as through cooperation partners, active social media work, but also the co-design of networks.

With the introduction of the **"Topic of the Month"**, clients also receive interesting monthly information concerning wage, social security and labor law.

In 2020, the focus was on the development and expansion of the digital presence of ACCONSIS. For this purpose, web and social media presences were renewed, combined with the clear objective of expanding our ACCONSIS community and providing it with fast, current and uncomplicated information and updates.

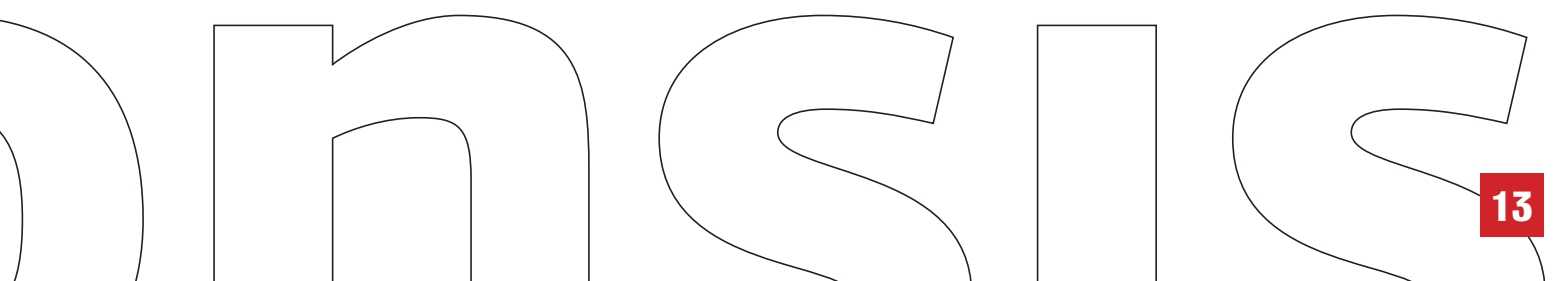
On our website www.acconsis.de we provide up-to-date helpful technical articles under NEWS. The magnifying glass search function on the homepage provides access to our NewsBlog - a news archive with which all articles of the last few years can be accessed.

Through the specially created data protection plugin, we offer our website visitors the highest possible data protection transparency in their settings.

With the ACCONSIS e-mail newsletter, we regularly send out interesting information from our experts on specialist topics and events. With the foundation of the "ACCONSIS Corona Task Force" team at the beginning of the year 2020, a separate newsletter format for this topic was established.

In 16 mailings - the "Corona Task Force Newsletters" - this team informed the recipients about current circumstances in German and English.

Daily updated important information from our experts regarding innovations, interesting technical articles and informative webinars is provided for our community on our social media channels:





ACCONSIS – digitally surprisingly different!

We inform more than 500 press representatives about ACCONSIS news via our own press distribution list.

Our media pool is made up of contacts from the departments of business administration / law / economics in the Munich area.

ACCONSIS supported media representatives from radio, television, print and online in their editorial work and actively participated in book publications. This resulted in contributions for, among others:

brand eins Magazin, FOCUS Business, BR Fernsehen „mehr/wert“, BR24 und B5 Aktuell, FOCUS Money, Börse-Online, €uro am Sonntag, JUVE Steuermarkt etc.

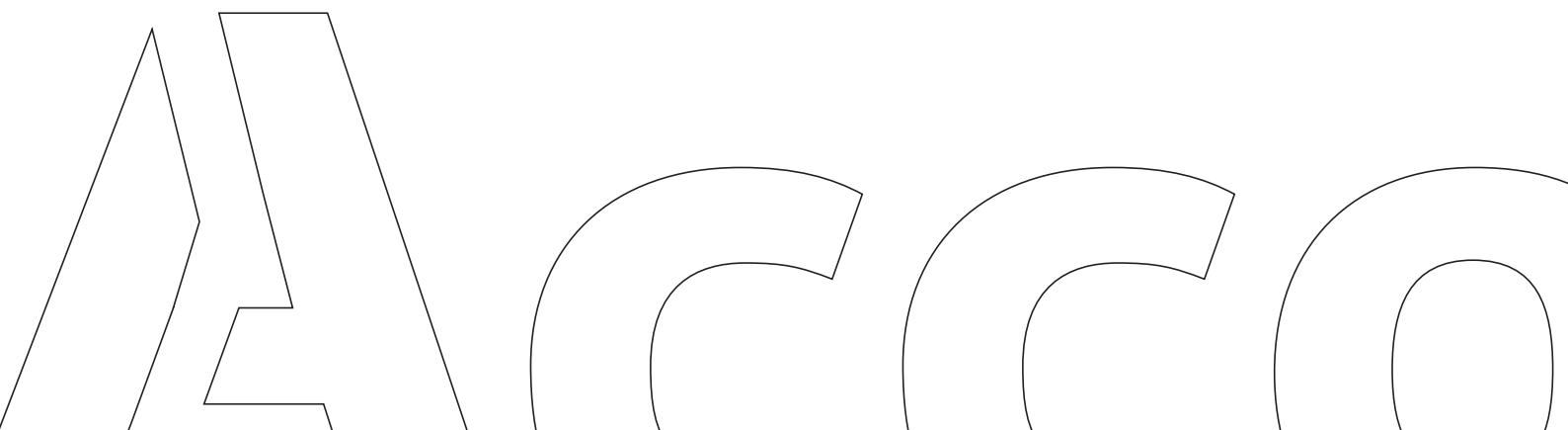
2.5 Controlling

In the course of the further development of controlling, ACCONSIS uses the Balanced Scorecard as an instrument for holistic corporate management and strategy implementation. This enables a clear focus of all corporate actions on the central corporate goals.

The targets of the subordinate divisions are aligned top-down and monitored by Controlling through variance analyses. The process for managing deviations is continuously reviewed and optimized.

An online-based evaluation tool was introduced to provide management with information that is optimized for the target group and relevant for decision-making.

Thanks to automated evaluations, information about deviations reaches the recipient more quickly, necessary control measures can be initiated earlier, and the manual effort on the part of controlling in creating evaluations is minimized.



2.6 IT & Digitization

In the wake of the Corona crisis, the need for digital solutions and ways of working became apparent to everyone. Location-independent working, digital collaboration, video conferencing - topics that had long been reserved for "digital nomads" in their full form had to be realized on a macroeconomic scale within a short period of time.

Thanks to the existing digital infrastructure and rapid action, all ACCONSIS employees were able to work mobile in a very short time. The functionality of existing software was exhausted, such as chats and screen sharing of the phone software. Additional software for video conferencing and webinars was introduced to enable communication channels away from the phone even during lockdowns.

The use of ACCONSIS Sharefile, the digital platform for the fast and secure exchange of documents and data, was stepped up and further investments were made in high-performance scanners to further digitize the internal document flow. In the course of this, the simple digital signature was also introduced across the board and the use of the qualified digital signature for balance sheet reports was designed and tested.

For better location-independent collaboration on internal projects, project management software was implemented with the help of which task management and communication can take place asynchronously. The Corona crisis led to a sharp increase in software and the necessary IT expertise among employees.

In addition to software to improve communication and collaboration, various business area-related software was implemented. In the case of the law firm, the focus was on working with digital files in order to implement the specific working methods in a software-based manner. In addition, software with modules for procedural documentation and tax compliance management was introduced to provide clients with advisory support in complying with statutory regulations in internal accounting.

A reporting tool that simplifies the creation of personnel evaluations is being used in the Human Resources department, and the implementation of CRM software for the Marketing department has been prepared.



A ticket system was introduced to further professionalize and standardize the internal IT area. This allows tasks to be delegated and documented quickly and comprehensibly.

In addition, workflows can be optimized via standard tickets and automated scenarios and controlled with the integrated reporting. Furthermore, a knowledge database offers the possibility to make instructions and background information quickly available to everyone.

In addition to the internal operational work, there were various projects in cooperation with clients. The focus here was on the development and implementation of interfaces in the area of wages and salaries as well as the transfer of tax-relevant data. In addition, organizational support was provided for data migrations from servers.





2.7 ACCONSIS Future Workshop

At the beginning of 2019, the ACCONSIS Zukunftswerkstatt (Future Workshop) was launched. For this purpose, additional space of 600 m² was rented and all employees were invited to apply to actively shape the future of ACCONSIS.

New form of service

Since the beginning of 2019, a team of more than 20 people has been designing, planning and implementing services and a new form of collaboration to make solutions for our clients more contemporary, effective and efficient.

It is self-explanatory that progressive digitization will also play a significant role in this. It is precisely through digital applications that we are creating scope that will have an even more positive impact on the quality of our advice.

In this way, we will succeed in the short to medium term in being there for our clients in a modern, fast, transparent manner and with a high level of personal commitment.

Future and creativity

We listen actively and ensure with a high degree of empathy that everyone feels personally and competently advised. To ensure that we continue to find the necessary tools and channels to respond quickly and flexibly in the future, we are already building ahead:

We shape the future in consulting -

We create space for creativity and new ideas

In expanded premises at our company headquarters in Schloßschmidstraße, something completely new is created in our own "think tank".

Extend care service

ACCONSIS would like to grow more strongly in the next few years and take on a central role in the target market - the Munich metropolitan region.

Acconsis **ZUKUNFTSWERKSTATT**

This is to be achieved on the one hand through the acquisition of new clients, but also through expanded support and consulting services for existing clients. This requires ACCONSIS to undergo a change - both in its external image and in its corporate structure.

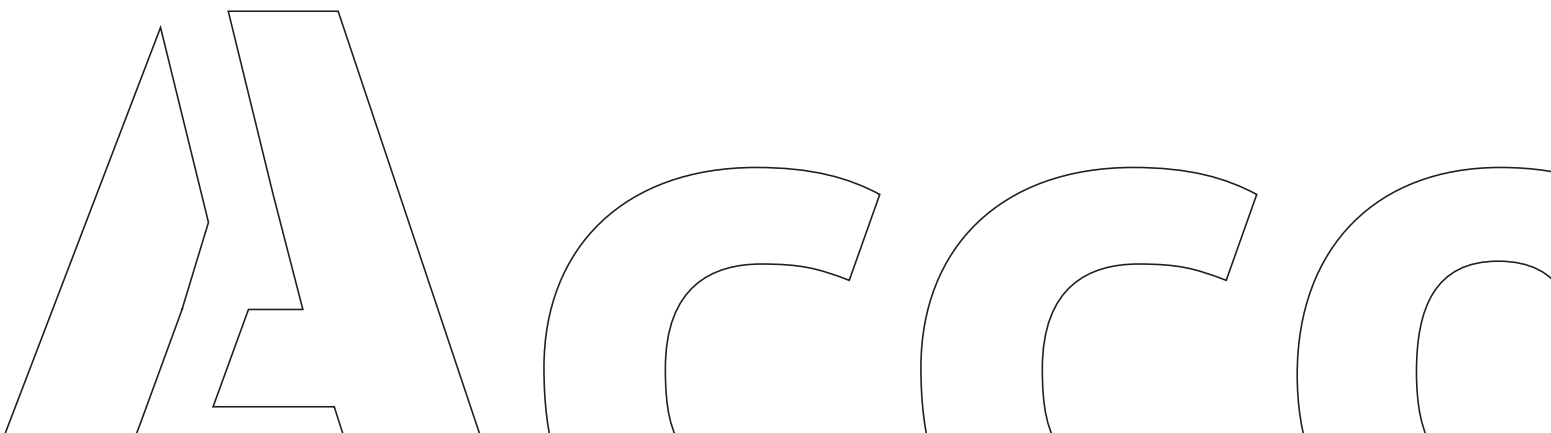
ACCONSIS is repositioning itself with this change - from a "classic law firm" to a modern "service company" with high standards for itself.

The teams work in project groups on the topics:

- Change of the workplace
(Workplace design 4.0, IT landscape)
- Change in work culture
- New forms of collaboration
- Changed understanding of leadership and cooperation

Incentive for employees to be there:

- They have the possibility to try out new modern techniques, working tools and methods.
- They actively shape their future and the future processes of ACCONSIS.
- They have the opportunity to get to know new forms of collaboration and work directly with colleagues from other departments.
- And despite all the new approaches, the employees retain most of their familiar assignments and tasks.
- Anyone who enjoys and is enthusiastic about new things, testing, shaping the future and accompanying ACCONSIS on its way into the future, will find perfect conditions in the Future Workshop.



Our digital offensive has already been rewarded!

At the DATEV Digitalization Cockpit, ACCONSIS was presented with the label **"Digital DATEV Law Firm 2020"**.



Those who receive an award here have previously undergone a "screening" by a DATEV expert.

Processes and program use in accounting, human resources and office management were examined. Using comprehensible parameters, it quickly became apparent where there was still potential for digitization in the company. At the same time, these evaluations provide the necessary key figures for the **"Digital DATEV Law Firm"** label.

3. Business development of the ACCONSIS Group

The ACCONSIS Group mainly provides services in the areas of tax consultancy, tax declaration, preparation of annual financial statements, payroll accounting and services in the field of management accounting as defined by the Tax Consultancy Act.

In addition, legal advice and auditing services are offered. For the development of the business, the overall economic development is less decisive than the industry-related competitive situation with regard to the acquisition of new clients and qualified employees.

The current market environment is characterized by numerous smaller providers. As of December 31, 2019, 98,955 members were registered with the chambers of tax consultants in Germany. Compared to the previous year, there was an increase of 1.3% or 1,302 members. The rate of self-employed tax consultants was again slightly lower at 68.6 % (previous year: 69.2 %). Thus, 60,737 tax consultants are self-employed and 27,772 tax consultants are salaried employees.

The profession is highly fragmented and consists of almost 70 % individual practices. The number of tax consulting companies reached five figures for the first time with 10,446 practices.

36.8% (previous year: 36.4%) of the professionals are female. 29.3% (previous year: 29.0%) of the professionals are older than 60 years, with an overall average age of 52.9 (previous year: 52.7) years. In our company, 40.0 % (previous year: 52.9 %) of the professionals are female. Overall, the average age is 45.8 years (previous year: 46.3 years), which is below the industry average. The total number of auditors (14,568 as of Dec. 31, 2019) has shown only a slight increase for several years. The number of lawyers also remained almost unchanged at 165,900. The number of registrations, which has still been growing slightly for years, contrasts with only moderate market growth, resulting overall in cutthroat competition with declining margins.

At the same time, the ever-faster changing environment (both regulatory through tax legislation and technical through the use and integration of the Internet into work processes) requires constant adaptation to the market.

4. Profit situation

Sales of the ACCONSIS Group increased by KEUR 1,143 to a total of KEUR 11,258. The personnel cost ratio of the ACCONSIS Group as a whole amounts to 62.2 % (previous year: 62.0 %). Scheduled amortization of acquired client bases remains at a high level (KEUR 1,249 , prior year: KEUR 1,249).

Other expenses amounted to KEUR 1,597 (previous year: KEUR 1,789). The Group's net income for the year increased from KEUR 190 to KEUR 626.

5. Financial position

Cash flow from operating activities amounted to KEUR 2,016 (previous year: KEUR 1,408). The payments for investments (totaling KEUR 130 (previous year: KEUR 306) mainly related to office furniture and equipment. In the financing area, loan repayments totaled KEUR 2,379 (previous year: KEUR 1,930) and new loans were taken out in the amount of KEUR 1,200.

As a result, cash and cash equivalents amounted to KEUR 1,369 at the end of the year (previous year: KEUR 662). Scheduled loan repayments of between approximately KEUR 1,300 and KEUR 1,700 will be made in each of the next five years.





6. Asset position

With a balance sheet total of KEUR 9,514 (previous year: KEUR 9,778), the assets side of the balance sheet is dominated by the acquired client bases (KEUR 4,769, previous year: KEUR 6,019) and trade receivables (KEUR 1,537, previous year: KEUR 1,635).

Equity amounted to KEUR 1,439 as of the balance sheet date (previous year: KEUR 820). The following serve for financing: Bank loans amounting to KEUR 3,868 (previous year: KEUR 4,026) and other loans (KEUR 2,312, previous year: KEUR 3,333). These investment loans account for 65.0% of total assets (previous year: 75.3%).

7. Supplementary report

The following events occurred after the balance sheet date that have a significant impact on the net assets, financial position or results of operations.

Acconsis GmbH Financing Consulting

Acconsis GmbH Finanzierungsberatung was founded at the beginning of 2021 to further expand the "All about real estate" area. This company provides neutral and bank-independent advice to our customers on the conclusion of financing loans.

Integration of a society, which specializes in real estate

As of 01.05.2021, a company will be integrated into ACCONSIS that specializes in advising on real estate transfers and providing tax law services for real estate holdings. This will significantly strengthen our competence and capacity in this important area.

8. Risk report

In order to minimize liability risks from operations, quality assurance measures are continuously implemented and further developed in the individual service processes in addition to the dual control principle.

In the individual service areas, department heads have been appointed who, together with the respective divisional managers, are responsible for quality assurance. As a result of the constant new requirements and changes of

the legislator as well as of the financial administration and the jurisdiction, we are constantly required to train and develop our employees through our ACCONSIS Academy and through external training institutes.

In addition, the use of general terms and conditions of engagement and the conclusion of professional liability insurance policies take into account the residual risk that remains despite everything.

One of the greatest challenges in view of the current economic situation and demographic trends is to recruit qualified personnel in line with demand and in a timely manner, and to retain our current employees over the long term.

Increasing digitization offers further challenges, i.e., both opportunities and risks. It affects all business areas, so it is also important here to constantly question existing processes and adapt them if necessary. The General Data Protection Regulation and data security are particularly important in this context. In terms of data security, the external storage of data exclusively with our partner DATEV eG is an important parameter for us.

We prevent liquidity risks through a long-term financing structure and daily liquidity monitoring and management. Particular attention is paid to the management of working capital as the main driver of our short-term liquidity needs through timely invoicing and receivables management. In view of the fact that no client accounts for more than 2.5% of sales, there is no dependence on major customers.

Overall, the company and the entire ACCONSIS Group developed satisfactorily in 2020. There are currently no discernible risks that could jeopardize the continued existence of the company or significantly impair its development.

At the time of writing the Management Report 2020, the spread of the corona virus (COVID-19) continues to be a major challenge. The "ACCONSIS Corona Task Force" remains active to proactively address and support the concerns of clients as well as employees and partners in this crisis situation. Thanks to the far-reaching developments of our ACCONSIS Future Workshop and the high degree of digitalization of workflows and processes, almost all employees use mobile working in their home

offices. The Corona crisis therefore has no effect on the profitability of ACCONSIS and no impact on the targets can be assumed. The targets in the 2021 forecast report remain unchanged despite Corona.

Acconsis
Corona Task Force



9. Forecast report

We are making the following assumptions for the ACCONSIS Group for the 2021 financial year:

Turnover:	KEUR 13,000 to KEUR 14,000
EBITDA:	KEUR 2,800 to KEUR 3,500
EBT:	KEUR 1,250 to KEUR 1,500

The forecast is based on an integrated plan which is compared with the actual figures on a monthly basis. Repayment of the long-term investment loans is being made as scheduled. We assume that all liabilities due can be properly serviced by existing liquid funds.

Munich, 1 May 2021

Wolfgang Stamnitz (†)
Partner & Managing Director



Dr. Andreas Hofner
Partner & Managing Director



Stefan Herzer
Partner & Managing Director

On Sunday, April 18, 2021, immediately prior to the completion of this Annual Report, Wolfgang Stamnitz, co-founder and Chairman of the Board of ACCONSIS, passed away suddenly and unexpectedly.

As an entrepreneurial personality, he has played a significant role in the success and continuous growth that has characterized ACCONSIS and its Munich-based predecessor company for 60 years. His professional competence as an auditor, tax consultant and business mediator has impressed. The trust and loyalty he cultivated with clients and business partners and all those associated with ACCONSIS will - in his spirit - continue to be lived and nurtured.



Acconsis

Steuerberatung
Wirtschaftsprüfung
Rechtsberatung
Private Solutions

Schloßschmidstr. 5
80639 München
Telefon +49 (89) 54714-3

info@acconsis.de

acconsis.de