

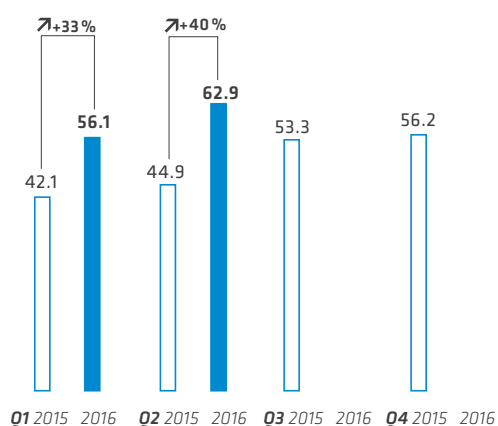


A NEW
LEVEL

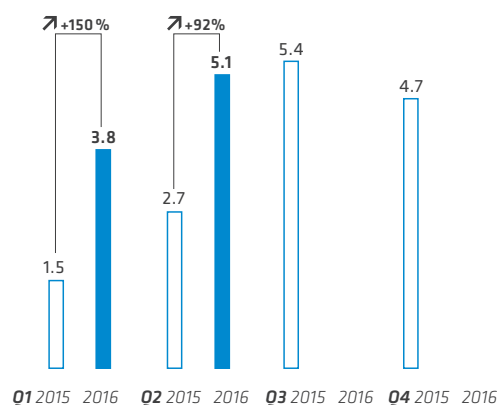
KEY FIGURES

<i>in EUR k</i>	1st HY 2016	1st HY 2015	Change	in %	Q1/2016	Q2/2016	Q2/2015
SALES REVENUE							
Sales revenues	118,999	86,990	32,009	37	56,072	62,927	44,909
domestic	90,771	70,033	20,738	30	41,133	49,638	36,295
foreign	28,228	16,957	11,271	66	14,939	13,289	8,614
EBITDA	8,896	4,176	4,720	113	3,771	5,125	2,667
EBITDA margin (in %)	7.5	4.8	2.7	56	6.7	8.1	5.9
Consolidated earnings	3,956	1,318	2,638	200	1,452	2,504	896
BALANCE SHEET							
Balance sheet total	146,333	105,909	40,424	38	126,006	146,333	105,909
Equity	39,119	39,260	-141	0	38,220	39,119	39,260
Equity ratio (in %)	26.7	37.1	-10.3	-28	30.3	26.7	37.1
Liquid assets	14,976	16,006	-1,030	-6	21,293	14,976	16,006
Net cash position	-27,983	-7,229	-20,754	-287	-5,155	-27,983	-7,229
EMPLOYEES							
Employees (FTE)	1,973	1,468	505	34	1,757	1,973	1,468
domestic	1,725	1,314	411	31	1,510	1,725	1,314
foreign	248	154	94	61	247	248	154
Gross profit/Employees	117	109	8	7	116	118	111
SHARE							
Number	5,873,736	5,793,720	80,016	1	5,841,435	5,873,736	5,793,720
Price at the end of the period (in EUR)	26.50	18.06	8.44	47	24.00	26.50	18.06
Market capitalisation at the end of the period (in EUR m)	155.7	104.6	51.0	49	140.2	155.7	104.6
Earnings per Share (in EUR)	0.65	0.21	0.44	209	0.24	0.41	0.14

GROWTH IN SALES (PER QUARTER)

in EUR k

EBITDA DEVELOPMENT (PER QUARTER)

in EUR k

MISSION STATEMENT

adesso optimises companies' core business processes with the targeted use of information technology. We offer customers expert consulting based on our in-depth industry knowledge and use our technical knowhow to develop customised software solutions. For a defined set of operational tasks adesso provides innovative solutions and products.

As an independent partner, we aim to help our customers make the most of their business potential while retaining flexibility in the future.

A NEW LEVEL

Starting out from its core business of consultancy and tailored software development, adesso is enjoying increasing success in positioning itself as a solutions provider for its customers' specialised business needs. In addition to its universal standard products, adesso has already been able to establish several industry-specific solutions and products. In the sector that it has dealt with the longest, adesso's own product policy is now moving to a new level:

adesso develops a complete software suite for the insurance business with an attractive potential for adding value.

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INVESTOR RELATIONS

The Share

First Half of the Trading Year 2016 – General Conditions

In contrast to the reports of a price rally and a new all-time high on the DAX in the first half of 2015, the first months of 2016 were characterised by far gloomier sentiment on the world's stock markets, sometimes paired with dramatic losses. In particular, new worries about weaker expected economic performance in China and its ripple effect on the global economy, along with the continued drop in oil prices, fostered uncertainty and dampened investors' expectations. By mid-February, the DAX and TecDAX had lost 19 % compared to the end of 2015, while the MDAX lost 15 %. The benchmark indices recovered noticeably from the second half of February, despite recurrent major setbacks. With stock markets volatile to begin with in the first half of the year, the disorientation reached its provisional high point in June, following the referendum on the United Kingdom remaining in the European Union. The narrow victory for Brexit came as a surprise to many investors and sent share prices plummeting yet again. At the time, the indices were trading above their previous annual low from February, but had given back a great deal of their gains for the period. The DAX closed the first half of the year down 10 % at 9,680 points. While the MDAX ended trading down 4 %, the TecDAX brought up the rear at -13 %.

Development of adesso Shares

Mit einer Kurssteigerung von 10 % im Vergleich zum Vorjahresschlusskurs hat sich die adesso-Aktie in der ersten Jahreshälfte deutlich besser als die deutschen Leitindizes entwickelt und ihren Referenzindex TecDAX um 23 %-Punkte hinter sich gelassen. Am 30.06.2016 schloss die Aktie bei 26,50 €, nachdem sie am 27.05.2016 einen neuen Höchststand per Schlusskurs von 28,64 € markiert hatte.

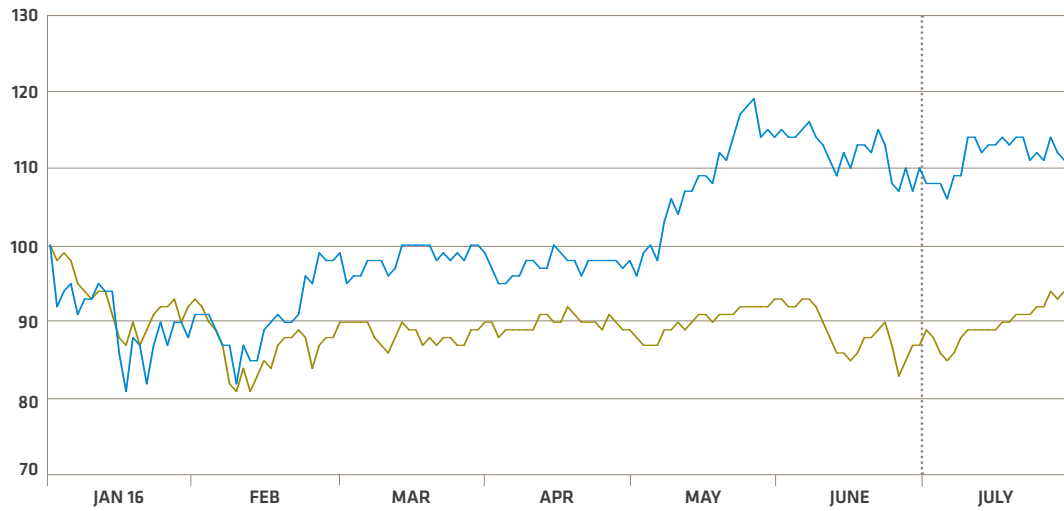
adesso's shares performed better than the German benchmark indices in the first half of the year, gaining 10 % on their closing price from the previous year, outperforming the TecDAX by 23 percentage points. On 30 June 2016, the share closed at EUR 26.50, after having achieved a record closing price of EUR 28.64 on 27 May 2016.

At the beginning of 2016, the adesso share price initially fell back to EUR 19.47 as part of the stock market's general poor performance, closing at a low for the first half of the year on 18 January 2016. Until mid-February, the share price developed largely in line with the TecDAX. In the second half of the month, the share picked up substantial momentum and left the index behind it following adesso's presentation at a capital markets conference and in anticipation of strong figures for the final quarter of the year. The ad hoc releases on the preliminary year-end figures and on adesso's having exceeded the annual forecast (26 February 2016), as well as the increased dividend proposal (17 March 2016), lifted the share price back to its level from the start of the year. The TecDAX, however, only recovered enough to reach -11 % by the end of the quarter. Without further impetus, the adesso share trod water until into May, accompanied by a slight rise in trading volume. In May, the share price received another powerful boost, accompanied by a leap in trading volume, due to the announcement of a strategic acquisition (4 May 2016), the publication of good quarterly figures (10 May 2016) and their presentation at another conference, and the entry of additional institutional investors. As a result, the share price rose by 18 %, from EUR 23.45 to EUR 27.60, in May alone. The high for the year to date of EUR 28.70 was reached in intraday Xetra trading on 30 May 2016, accompanied by above-average trading volume. Due to profit taking and the general market trend, the stock fell to EUR 26.50 by the end of the first half of the year, but held its significant 23-percentage point lead over the benchmark.

DEVELOPMENT OF THE ADESSO SHARE COMPARED TO THE TECDAX

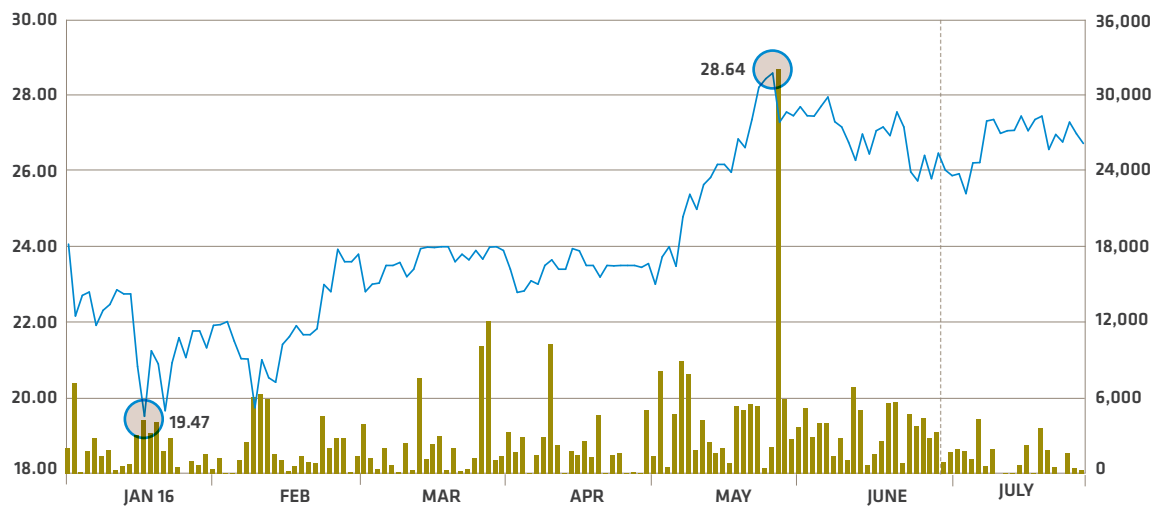
indexed

■ adesso AG ■ TecDAX



DEVELOPMENT OF THE ADESSO SHARE AND TRADING VOLUMES (XETRA)

in EUR / trading volumes in shares



adesso's market capitalisation therefore increased in the first half of 2016 by 12 % to EUR 155.7 million from EUR 139.6 million at the end of 2015. The average monthly volume of adesso shares traded in the first half of the year was EUR 2.0 million, an increase of 62 % in trading volume compared to 2015 as a whole. In the first half of the year, an average of 3,950 shares were traded each day, a rise of 23 % compared to 2015. The strongest trading day was 30 May 2016, with 38,710 shares, 32,084 of which were traded via Xetra. On average, the number of shares traded per month amounted to 82,944.

At the beginning of the second half of the year, European stock markets continued to be dominated by uncertainty over the impact of the Brexit referendum and remained volatile for the time being. Sustained recovery began from 7 July 2016, which continued until the end of July. As a result, the benchmark indices were all trading above their levels prior to the Brexit vote on 23 June 2016. The adesso share only followed this upward trend, coupled with low trading volume, in the first days, allowing the indices to make up ground. However, it maintained its leading position, extending its lead to 11 % since the end of the first half of the year. The TecDAX and DAX succeeded in narrowing their losses compared to the end of 2015 to -6 % and -4 % respectively. Meanwhile, the MDAX moved back into positive territory, with a slight rise to 2 %.

Capital Measures

The capital increase from the partial utilisation of the authorised capital took effect on 30 March 2016 upon entry into the commercial register. Share capital increased by 41,715 shares, from EUR 5,799,720 to EUR 5,841,435, in exchange for contributions in kind. In June, share capital increased again, this time to EUR 5,873,736, after 32,301 stock options from the company's stock option programme were exercised.

Dividends

The Annual Shareholders' Meeting of 31 May 2016 approved the proposal of the Executive Board and Supervisory Board regarding the appropriation of net income and resolved to increase the dividend by 20 % to EUR 0.30 per share entitled to profits, which corre-

sponds to a payout ratio of 37 %, based on consolidated net income (previous year: 42 %). The dividend was credited to shareholders' custodian accounts from 1 June 2016. The dividend yield amounted to 1.2 % based on the 2015 closing share price.

Shareholder Structure

The largest shareholder of adesso AG, with 29.3 % of the voting rights, is Prof. Dr. Volker Gruhn, who holds his shares indirectly via the Setanta GmbH investment company. Prof. Dr. Volker Gruhn is the Chairman of the Supervisory Board of adesso AG and its co-founder. The other co-founder, former member of the Executive Board Rainer Rudolf, who has been a member of the Supervisory Board since 2013, holds the second-largest share of the voting rights – 18.5 %. adesso AG's Supervisory Board holds 48.2 % of the company's share capital, while its Executive Board holds 1.3 % of the share capital. The majority of the assigned voting rights, 79.6 %, are held by private investors. Another 7.7 % is held by institutional investors. The remaining 12.7 % of the company's shares cannot be clearly assigned to a specific class of investor. According to Deutsche Börse AG's definition, the free float is 36.5 %. It has increased by 0.1 percentage points compared to the value stated in the Annual Report 2015 due to the options exercised under the company's stock option programme.

Investor Relations Activities

Our investor relations activities are dedicated to active communication and ensure that our business activities are transparent. We not only strive to offer ultimate transparency and readily available access to information, but also actively seek dialogue with institutional and private investors, analysts and the financial press. In doing so, we regularly present the development of the company in the course of one-to-one meetings or roadshows. We also take advantage of numerous investor conferences to present adesso AG and enhance our contact to the capital market.

In the first half of 2016, adesso AG and its equity story was presented at three capital markets conferences in Germany and at a conference in Paris. Relations with analysts and professional investors were also strengthened in numerous one-to-one meetings.

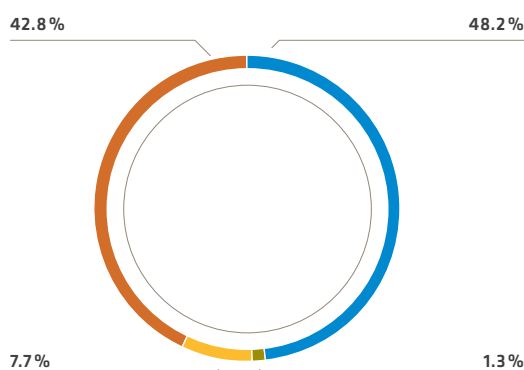
The following table shows the most important share data for the first half of 2016 per quarter:

SHARE DATA

	Q1	Q2	1st HY 2016
Price at the end of the period	24.00	26.50	26.50
Development (in%)	0	10	10
Development of TecDAX (in%)	-11	-13	-13
Highest price in EUR	24.00	28.64	28.64
Lowest price in EUR	19.47	22.78	19.47
Volatility (90 days at the end of the quarter in%)	37.9	21.0	21.0
Trading volumes in shares per trading day	2,824	5,040	3,950
Trading volumes in EUR per trading day	62,649	130,459	97,092
Number of shares	5,841,435	5,873,736	5,873,736
Market capitalisation in EUR million	140.2	155.7	155.7

SHAREHOLDER STRUCTURE

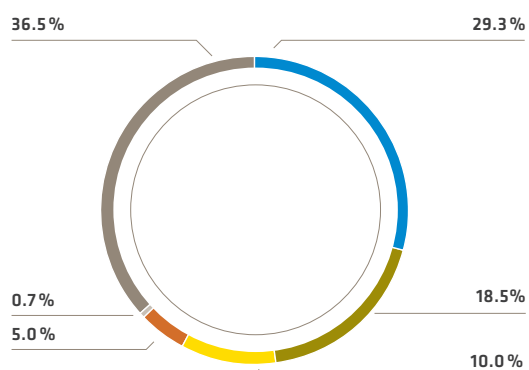
in %



■ Supervisory Board ■ Executive Board
 ■ Institutional Investors ■ Other

SHAREHOLDERS

in %



■ Prof. Dr. Volker Gruhn (Setanta GmbH)* ■ Rainer Rudolf*
 ■ Ludwig Fresenius ■ Michael Hochgürtel (MIH GmbH)
 ■ Shares subject to lock-up ■ Freefloat * Supervisory Board

Two further conferences are planned in the second half of the year. adesso will be present at the German Equity Forum in Frankfurt, Europe's largest capital markets event for corporate financing, among other conferences. A roadshow with investor meetings abroad and other events are also being planned.

Analyses/Research

Since May 2012, adesso AG's shares have been regularly assessed through studies and updates by WGZ BANK AG and since May 2013 also by the independent analysts of SMC Research. The latest analyses were published in February and May 2016. Both gave adesso's shares a "buy" rating (WGZ Bank, 29 February 2016: price target EUR 30.00 / SMC Research, 19 May 2016: price target EUR 34.70).

Since the beginning of 2011, trading of the adesso share has been supported by Oddo Seydler Bank AG (formerly: Close Brothers Seydler Bank AG), the designated sponsoring market leader.

BASIC SHARE DATA

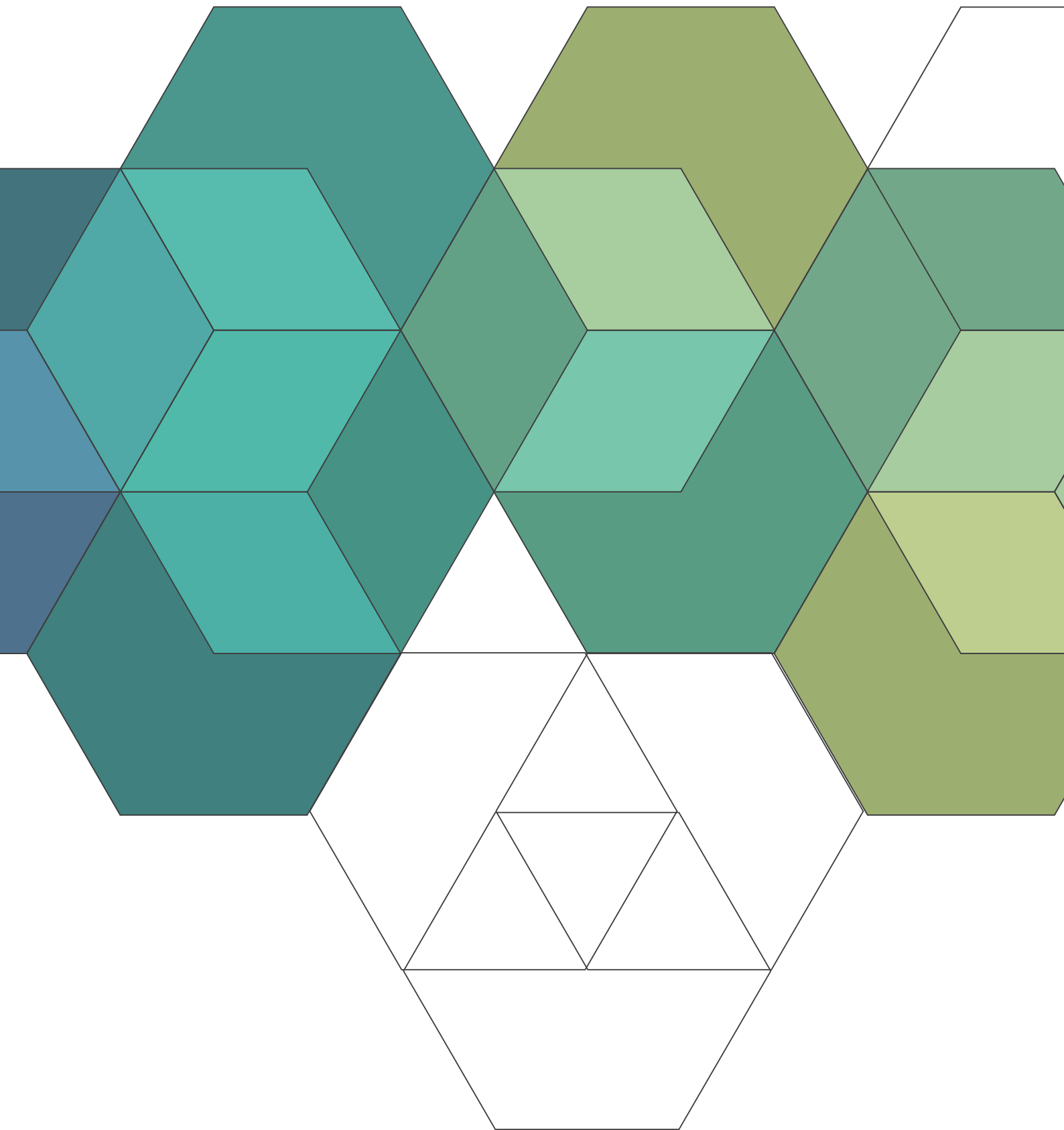
			1st HY 2016	1st HY 2015
ISIN Code	DE000A0Z23Q5	Number of shares at the end of the year	5,873,736	5,793,720
WKN (national security identification number)	A0Z23Q	Xetra closing price at the end of the year (EUR)	26.50	18.06
Symbol/Code	ADN1	Market capitalisation at the end of the year (EUR million)	155.7	104.6
Reuters Instrument Code	ADNGk.DE	Earnings per share (EUR)	0.65	0.21
Bloomberg Symbol	ADN1:GR	Cash flow per share (EUR)	-0.47	-0.47
First day of trading	21 June 2000	KGV	40.8	86.0
Trading platforms	Xetra	KCV	-56.0	67.0
Market segment	General Standard			
Number of shares	5,873,736			
Currency	EUR			
Nominal value	No share with nominal value: EUR 1.00 (mathematically)			
Share capital	EUR 5,873,736			
Voting rights per share	1			
Index	CDAX, DAXsector All Software, DAXsubsector All IT-Services, General All-Share, General Standard Index			
Reporting standard	IFRS			
End of financial year	31 December			

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RECOMMENDATIONS FROM THE FINANCIAL MEDIA AND ANALYSTS' OPINIONS

<i>Date</i>	<i>Topic/ recommendation</i>	<i>Evaluation</i>	<i>Source</i>
2016-07-13	Fully on course	Target price: EUR 36.00 Stop: EUR 22.00	Der Aktionär
2016-06-08	adesso: Accelerated growth opportunities	[...] The stock price reflects the strong growth and increase in profit in Q1 to 0.24 (0.07) Euro per share, but does not yet reveal overheating at a PER 2017e of 18, hence with regards to the speed of growth the upside trend should continue.	Nebenwerte Journal Extra
2016-06-03	adesso forced the product business	The share is staying in the fast lane. Prior Rating: **** of five.	Prior Börse
2016-05-19	Buy	Target price: EUR 34.70	SMC Research
2016-02-29	Buy	Target price: EUR 30.00	WGZ BANK AG Westdeutsche Genossenschafts-Zentralbank
2016-02-29	adesso: current shortnews	[...] The small cap quotes with 24 Euros just below the December peak of about 25 Euros. Conclusion: Everything goes right regarding operations.[...] We keep to our positive estimation for the title.	boersengefluester.de





GROUP MANAGEMENT INTERIM REPORT

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- 12 Group Principles
- 13 Economic Report
- 17 Subsequent Events
- 17 Forecast, Opportunities and Risk Reports

GROUP PRINCIPLES

Business Model, Targets and Strategies

adesso is a fast growing IT services company which has set its sights on becoming one of the leading consulting and technology groups for industry-specific business processes in Central Europe. With a high level of expertise in the areas it caters to, adesso operates at the interface between business processes and IT, implementing software projects at the highest technical level. The development of its own software solutions increases market penetration and strengthens the company's position in promising IT fields, such as mobilisation and enterprise content management. adesso pursues the internationalisation of its own product sales as a strategic goal. Enterprise development is complemented by a well-defined acquisition strategy.

Fuelled by past growth and growth in the making, a focused business model and an insistence on outperforming industry average margins, the company's value is continually being enhanced. adesso puts significant resources in targeted business development, the expansion of sales capacities, recruiting and marketing. These investments, coupled with extensive industry and consulting expertise, enable growth rates which exceed the industry average by far. adesso is a leading technology company in the field of software development which invests more than average in the training and development of its workforce and in the ongoing development of its own model for the software development process.

The Executive Board is committed to a strategy of striving for the right balance of growth, solid finances and profitability.

The company's strategy in the first half of 2016 remained largely unchanged compared to the disclosures in the Annual Report 2015. Investments and activities related to own products geared towards the insurance industry, adesso insurance solutions, remain a core

part of the strategy. Aside from the changes presented in Investments and Company Acquisitions, and particularly the acquisition of smarthouse Media GmbH, there were no major changes in the corporate structure or organisation in the first half of 2016. There were no changes in the composition of the adesso AG Executive Board in the reporting period.

Employees and Structure

The structure and management systems remained largely unchanged in the first half of 2016 compared to the disclosures in the Annual Report 2015. Changes pertaining to headcount and the scope of consolidation are detailed in the Economic Report and/or the Consolidated Notes. Headcounts continued to rise at many different locations and across a number of business areas, with the number of employees rising to some 2,000 by the end of the period.

Research and Development

Research expenses are negligible in relation to group expenses. adesso does not have its own dedicated research department.

Please refer to the Group Management Report as of 31 December 2015 for further details. These disclosures continued to apply in the reporting period.

ECONOMIC REPORT

Macroeconomic Climate and Industry-specific Conditions

In its spring forecast issued on 20 April 2016, the German federal government confirmed the annual guidance it issued in January and continues to expect gross domestic product growth of 1.7 % in 2016. The rate of growth is set to fall slightly to 1.5 % in 2017. However, the German economy is in solid shape and remains on a growth course according to the federal government. Domestic demand has become an important driver of growth and has improved the balance in terms of German economic expansion. A sharper rise in the rate of employment coupled with rising wages and stable prices is bolstering private consumption. Government spending is expected to increase considerably on account of the refugee crisis. By contrast, global economic prospects remain subdued. The OECD expects global economic growth in 2016 to remain on a par with the previous year at 3.0 %. Growth in China is gradually slowing down. In the European Union, the most important sales market for the German economy, growth was considered stable in the ministry's spring projection. Given the high percentage of GDP growth attributable to the domestic economy, the federal government believes that Germany will be able to cope with the negative effects of the United Kingdom's decision to leave the European Union. However, the government also admits that the long-term consequences of Brexit for the German economy will depend on the future relationship between the UK and the EU. The German gross domestic product rose by 0.7 % in the first quarter, before the rate of growth fell – as expected – in the second quarter.

After Swiss GDP growth cooled significantly to 0.8 % in 2015 as a result of Switzerland's currency policy, SECO, the Swiss State Secretariat for Economic Affairs, anticipates GDP to increase by 1.5 % in 2016 and by 1.9 % in 2017. These forecasts were lowered by 0.1 percentage points in March 2016, but were recently confirmed by a federal expert group in June 2016. In view of the positive but still fragile global economic climate, the Swiss economy is expected to

expand by 1.4 % on average over the course of 2016. Real growth of 1.8 % is anticipated for 2017. Quarter on quarter expansion in the first quarter of the year was moderate at 0.1 %. Financial services and the hotel and restaurant industry recorded declines in business, whereas value creation in the manufacturing industry, construction industry and the healthcare sector increased.

According to the latest forecast by the Austrian Institute of Economic Research (WIFO), Austria's economic performance increased by 0.3 % quarter on quarter in the second quarter of 2016 (down from 0.4 % in the first quarter). Domestic demand once again provided the largest injections of growth momentum, with consumption and capital investment both rising, but there has been a dip in industry development recently. In June 2016, WIFO forecast full-year real GDP growth of 1.7 % in both 2016 and 2017, while the Institute for Advanced Studies (IHS) predicted a 1.5 % increase per year. Both institutes had lowered their forecasts by 0.1 percentage points in March due to subdued global economic development. This recent forecast sees WIFO return to the slightly more positive assessment it made at the start of the year.

In its spring projection issued in March, German industry association BITKOM once again forecast that the IT industry would significantly outperform the market as a whole in terms of growth in 2016. It forecast growth of 3.0 % (previous year: 4.2 %) for the IT market. A considerable decline in growth is expected in the IT hardware sector – from 5.1 % in the previous year to 0.8 % in 2016 – whereas strong growth of 6.2 % is anticipated in the software segment, as in the previous year. There is expected to be a further slight increase in growth in the German IT services segment, which is particularly important to adesso, to 2.7 % (previous year: 2.6 %).

Economic development in adesso's key markets met expectations in the first six months of 2016. The forecasts made in the Annual Financial Statements 2015 were confirmed or, at most, slightly lowered. Growth in Germany has stepped up a gear, while the Austrian economy is slowly finding its feet again following its disappointing development since 2014. In Switzerland, the economy seems to be gradually recovering from the dip it suffered in the previous year as a result of its currency policy. There have therefore

been no significant changes in the macroeconomic and industry-specific frameworks either in adesso's core market of Germany or in important international markets in the first half of the year. The underlying conditions were considered favourable to business performance in the first half of the year. Depending on the final outcome of Brexit negotiations, the UK's decision to leave the EU could have implications for business in the second half of the year.

Business Performance

adesso Group increased sales in the first half of 2016 by 37 %, or EUR 32.0 million, year on year to EUR 119.0 million. Organic growth through the successful expansion of existing business activities accounted for 19 percentage points of this growth, while 16 percentage points were attributed to company acquisitions. This enabled adesso to easily exceed its target of outperforming overall market growth organically by at least a factor of two. Business performance also showed that adesso Group is on course to meet its full-year forecast.

Business was bolstered by ongoing investment from companies and public-sector authorities in digital transformation and increased efficiency through the modernisation of IT systems. adesso Group holds a strong market position in this area with a wide range of products and solutions. It successfully acquired a number of major orders in the reporting period and continued its relationships with customers.

Sales increases were achieved in both segments, with the IT Services segment expanding more sharply than the IT Solutions segment. Sales in the recently added Automotive & Transportation core industry climbed even further year on year. One particular highlight was the acquisition of an order to develop in-car entertainment apps and other functions. The Banking business area generated the strongest sales growth, both including and excluding smarthouse. Indeed, sales increased across all reporting regions (Germany, Austria, Switzerland and Other). Sales in Switzerland shot up by 116 % following the acquisition of Born Informatik AG in summer 2015.

Sales in the Enterprise Mobility and E-Commerce business areas increased further. Sales attributable to the FirstSpirit content management system also increased as a result of a rise in service and maintenance proceeds. The adesso subsidiary in Turkey generated a further increase in sales and even turned a profit in some months. So far there have been no direct consequences of the political unrest in Turkey on the subsidiary's business. However, adesso Turkey's key nearshore client in Germany did cut its order volume considerably in the second quarter.

First quarter sales came to EUR 56.1 million, while sales in the second quarter amounted to EUR 62.9 million, EUR 2.7 million of which generated by the acquisition in May. There were 62 working days in Germany in each quarter, equating to 124 working days over the first half of the year (previous year: 121). This rise within the first half of the year was particularly attributable to the continued increase in headcount, the distribution of annual leave and the acquisition.

Overall, business performance is considered positive in terms of structure and volume. The same applies to the operating result and the operating margin.

Position

Earnings Situation

adesso Group's operating result (EBITDA) rose more sharply than sales revenues in the first half of 2016 by EUR 4.2 million to EUR 8.9 million, an increase of 113 %. The EBITDA margin increased from 4.8 % in the first half of 2015 to 7.5 % in the reporting period. This was primarily due to solid order volume, high capacity utilisation despite the high increase in headcount and the rise in maintenance proceeds with own products. EBITDA stood at EUR 3.8 million and EUR 5.1 million in the first and second quarters of 2015 respectively. The earnings and margin increases in the second quarter – with the number of working days remaining the same – was primarily caused by the increase in capacity utilisation in the Enterprise Mobility and E-Commerce business areas, the first-time consolidation of smarthouse (with its double-digit operating margin) and the successful product business involving the FirstSpirit content management system. As in the previous year, earnings were

also negatively impacted by investment in adesso's internationalisation strategy.

Project volume relating to the in|sure product range climbed once more, continuing the positive, value-enhancing performance in this area. Product developments are on schedule in the health and property insurance segments. Work began on the car insurance segment within the scope of adesso's successful customer cooperation model.

Earnings before taxes increased by 112 % to EUR 6.3 million (previous year: EUR 3.0 million). Consolidated earnings came to EUR 4.0 million (previous year: EUR 1.3 million), while earnings per share amounted to EUR 0.65 (previous year: EUR 0.21).

Notes on individual items in the income statement

Cost of materials, which was mainly attributed to services purchased as part of customer projects, climbed by 36 % to EUR 12.1 million and therefore by a similar margin to sales revenues (37 %). As a result, the share of sales generated by own employees and the gross margin remained constant at 90 %. adesso does not actively manage the gross margin as a key metric. Gross income per employee, which is particularly important to the operating margin, rose by 7 % to EUR 117 thousand on an annualised basis (previous year: EUR 109 thousand; 2014: EUR 105 thousand).

The most significant cost item, personnel costs, rose by 36 % to EUR 79.1 million. As a result, these costs increased by roughly the same margin as gross income but considerably more sharply than headcount. The average number of employees rose by 28 % year on year to 1,821 (30 June 2016: 1,973). Annualised personnel costs per employee rose year on year from EUR 81 thousand to EUR 87 thousand. The increase in average personnel cost per employee was due in part to the increased provisions for variable and share-based salary components, alongside salary increases. Other operating expenses rose by the same margin as sales and gross income, but at a much lower rate than the headcount, by 17 % to EUR 19.6 million and once again had a positive impact on margins. As typical for the business, the absolute increase resulted from the higher number of employees and subsequent costs such as costs of additional workplaces, company vehicles and travel costs.

Depreciation and amortisation of EUR 2.4 million (previous year: EUR 1.3 million) rose on account of growth and the acquisition of smarthouse. It comprised EUR 1.8 million (previous year: EUR 1.1 million) of amortisation of intangible assets and depreciation of property, plant and equipment such as factory and office equipment and EUR 0.6 million (previous year: EUR 0.2 million) of amortisation of intangible assets recognised within the scope of business combinations; EUR 0.4 million of this amount in May and June concerned customer lists, the order backlog and software from the smarthouse purchase price allocation.

Total income from financing and investment activities fell year on year by EUR 0.2 million to EUR -0.1 million. The financial result was impacted by interest expenses from acquisition loans. Interest expenses rose from EUR 0.1 million to EUR 0.3 million year on year in the reporting period due to the acquisitions of Born and smarthouse and the resulting increase in average financial liabilities. Income from investment activities of EUR 0.1 million (previous year: EUR 0.2 million) mainly pertained to an investment in a company that provides IT services together with a customer. Income tax expense came to EUR 2.4 million (previous year: EUR 1.7 million). The higher arithmetical rate of 38 % pertaining to the earnings before taxes of EUR 6.3 million in the first half of 2016 (previous year: 56 %) was due to the losses contained in the earnings before taxes, particularly those attributable to a number of foreign companies, in relation to which no deferred taxes were recognised. The ratio of these losses to consolidated earnings declined in comparison with the previous year.

Employee Indicators

The total number of employees at the group rose by 505, or 34 % (previous year: 14 %), year on year from 1,468 to 1,973 full-time equivalents. The number of employees in the first half of 2016 increased by 217 (of which roughly 120 from smarthouse), or 16 % (previous year: 6 %). The number of employees abroad rose year on year from 154 to 248 due to the acquisition of Born Informatik AG in Switzerland and the further expansion of the adesso subsidiaries in Turkey.

EMPLOYEE INDICATORS

	1st HY 2016	2015	1st HY 2015	2014	1st HY 2014
Employees at the end of the period	2,148	1,840	1,592	1,499	1,409
Full-time equivalents (FTE) at the end of the period	1,973	1,702	1,468	1,377	1,289
Full-time equivalents (FTE) average for the year	1,821	1,534	1,427	1,298	1,253
Sales per Ø FTE (in EUR k)	131	128	122	121	119
Gross income per Ø FTE (in EUR k)	117	113	109	106	105
Personnel costs per Ø FTE (in EUR k)	87	82	81	76	79

Financial position and results of operations

Equity decreased as of 30.06.2016 compared to the 31.12.2015 to € 39.2 million by the payment of dividends amounting to EUR 1.8 million (previous year: EUR 1.5 million) with consolidated earnings of EUR 4.0 million, because of a rise in shares of Arithnea GmbH amounting to EUR 3.4 million settled in equity. According to the purchase agreement for the remaining 49 % of Arithnea GmbH, surpluses generated before buying the company are proportionally owned by the vendors. This leads to a dividend of EUR 1.4 million, which will be distributed for three years - 2018 for the last time. The equity ratio declined by 8.6 percentage points to 26.7 %, predominantly as a result of the acquisition of smarthouse Media GmbH and the resulting increase in the balance sheet total. Cash and cash equi-

valents stood at EUR 15.0 million as of the reporting date (previous year: EUR 16.0 million; 31 December 2015: EUR 28.2 million). This decline over the first half of the year corresponds to liquidity development over previous periods and was largely due to the scheduled payment of variable salary components for the previous year, the dividend payment of EUR 1.8 million and the payment patterns of major customers, who tend to settle a relatively high proportion of outstanding invoices at the end of the year. EUR 4.0 million of existing liquidity was spent as part of the purchase price payment for the acquisition of smarthouse Media GmbH. Cash flow from operating activities amounted to EUR -3.3 million, down from EUR 1.6 million in the previous year. Trade receivables increased by 52 % to EUR 48.9 million – a much greater margin than sales. A stricter receivables management concept applies across the group to reduce the share of liquidity locked in to customer receivables. Cash flow from investment activities amounted to EUR -29.1 million, declining from EUR -25.6 million in the previous year. In the previous year, the purchase price for Born Informatik AG had already been paid at this point, whereas investments in the reporting period were dominated by the acquisition of smarthouse Media GmbH and the increase in the Arithnea GmbH shareholding to 100 %. Cash flow from financing activities amounted to EUR 19.2 million (previous year: EUR 16.0 million). This high figure resulted primarily from the borrowing of EUR 24.0 million in loans. Ongoing repayments on loans stood at EUR 2.6 million (previous year: EUR 0.9 million). As in previous years, cash and cash equivalents are expected to increase in the second half of 2016 on account of operating activities.

Interest-bearing financial liabilities rose by EUR 21.2 million to EUR 43.0 million in the first half of the year in spite of ongoing repayments due to new acquisition loans. The low-interest environment gave adesso the opportunity to secure favourable financing for the acquisition of smarthouse Media GmbH by concluding instalment loans with a term of seven years. The loans have a fixed rate of interest of 1.0 % over the entire term. The net cash position stood at EUR -28.0 million as of the reporting date (31 December 2015: EUR 6.4 million; 30 June 2015: EUR -7.2 million).

Investments and Company Acquisitions

Investments in property, plant and equipment amounted to EUR 1.4 million (previous year: EUR 0.9 million) and mainly comprised regular investments in factory and office equipment replacements and expansions such as IT equipment and furnishings. The company did not carry out any extraordinary or unusual investments in property, plant and equipment and there is no investment backlog. Approximately EUR 1 million will be paid out in the second half of the year as a result of the introduction of an ERP system. This will result in an unusually high one-off increase in investments.

There were two company acquisitions in the reporting period with a tangible effect on the net assets, financial position and results of operations. In May 2016, adesso Group acquired a 100 % stake in smarthouse Media GmbH at a cost of EUR 23.6 million. In addition, an amount of EUR 4.1 million was paid and a non-cash capital increase of EUR 0.9 million performed in return for the increase in the stake in Arithnea GmbH from 51 % to 100 % agreed in 2015. Please refer to the consolidated notes for further details on these transactions.

SUBSEQUENT EVENTS

No events of particular importance which we expect to have a material impact on the asset, financial or profit situation of the adesso Group have taken place since 1 July 2016.

FORECAST, OPPORTUNITIES AND RISK REPORTS

Forecast Report

Economic development in Germany, Austria and Switzerland as forecast by leading economists has largely been confirmed after the first half of the year. Growth momentum subsided in Germany and Austria in the second quarter. Nevertheless, countries in the DACH region are still expected to generate year-on-year growth of between 1.4 % and 1.7 % over the year as a whole. These forecasts were published before the UK voted to leave the European Union. At the time of this report, the potential negative implications of the Brexit referendum on the future development of the European economy are not sufficiently clear. However, risks of an economic downturn in the eurozone have increased since the vote. A number of analysts have toned down their growth forecasts for the coming year both for the UK itself and for the eurozone. The Brexit debate and the challenge of integrating refugees in Europe is also overshadowing the smouldering European sovereign debt crisis. Economic recovery is currently a slow and fragile process. Full-year macroeconomic and industry-specific growth forecasts assumed by adesso for 2016 more or less continue to apply after the first six months of the year, even though the risks of a downturn have risen for the second six months of 2016.

According to the results of the European Information Technology Observatory (EITO) study published in mid-July 2016, business involving IT and telecommunications products and services in Europe is growing at a somewhat slower pace of 0.7 % (previous year: 2.9 %). The IT industry is performing significantly better than the telecommunications market. Sales of IT hardware, IT services and software are forecast to increase by 2.7 % to EUR 388 billion. According

to the study, the ongoing process of digitalisation in the economy as a whole is a source of significant impetus for sales of software and IT services, which could rise by 5 % and 3 % respectively. Global ITC sales are set to increase by 1.8 % to EUR 3.1 trillion, the EITO believes. On the international stage, Turkey is the second-fastest growing ITC market with a 6.1 % rise in sales to EUR 20 billion. The results of industry association BITKOM's mid-year survey were not available at the time of this report, so there is no sign of any lowering of revenue expectations in the IT industry over the rest of the year due to the Brexit vote or other external influences. However, in the run-up to the referendum, the association did warn that the German digital economy could suffer a dip in sales if the UK were to vote to leave the EU, not least because the UK has been one of the ten most important trading partners for the German ICT industry for years.

With adesso Group generating organic sales growth of 19 % year on year in the first half of 2016, business continued to significantly outperform the rest of the market. Sales revenues stood at EUR 119 million after the first six months of 2016, meaning that adesso Group achieved 50 % of the mean full-year sales target of EUR 231 million to EUR 243 million following the adjustments owing to the smarthouse acquisition. Given the solid capacity situation and the inclusion of smarthouse in the consolidated financial statements for the full six months in the second half of the year instead of just two, the sales forecast is confirmed with a tendency towards the upper end of this range. In terms of earnings performance, EBITDA stood at EUR 8.9 million after the first half of 2016, 49 % (previous year: 43 %) of the mean full-year forecast of EUR 17.0 million to EUR 19.5 million. The full-year EBITDA forecast for 2016 can be confirmed against the backdrop of the higher EBITDA contribution from smarthouse in the second half of the year and the current capacity and order situation. If adesso Group succeeds in boosting product sales in the second half of the year, there is also a chance that this forecast will be exceeded.

Both sales and the operating result are expected to increase further in 2017.

Opportunities and Risk Report


adesso Group has continued its efforts to open up new business opportunities. Besides intensifying its internationalisation strategy, it has also established the Automotive & Transportation core industry and expanded its range of products and solutions for the insurance industry. adesso pursues a pronounced organic growth strategy. Most of the core industries serviced by adesso offer a wide range of prospects for growth. In Germany, adesso is currently preparing to open a number of new locations to provide direct and cost-optimised services to new or existing customers and expand recruiting activities to additional catchment areas.

adesso is subject to a number of risks that could have a negative impact on financial development. They arise from its business activities and in view of the Group's increasing size and complexity as well as the increasing scope of activities in foreign countries. Please refer to the Group Management Report as of 31 December 2015 for a description of all risks and the applied risk management methods. Group-wide risks from economic developments are explained in the forecast report of this interim report.

We did not identify any further material systemic risks in the first six months of financial year 2016 except those stated in the Annual Report 2015 and the forecast report of this interim report. The net cash position fell significantly to EUR -28 million as a result of the loan taken out to acquire what is now smarthouse adesso financial solutions GmbH and the payment made to increase the stake in Arithnea GmbH. This resulted in an enhanced financial risk profile. Failure at smarthouse to meet sales and earnings expectations over the long term could result in the need for write-downs up to the purchase price amount of EUR 24 million, which would have significant implications for the financial and earnings position. Overall, the company assesses the risks from operating activities as unchanged. The overall risk profile of the adesso Group is considered to have risen markedly compared to 31 December 2015 as a result of the enhanced financial risk profile. Additio-

nal risks not yet known to us as well as risks that we are currently not deeming to be material could also have a negative effect on company developments. That being said, we do not expect risks to occur that could pose a danger to the company as a going concern in the remaining months of the financial year.





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CONSOLIDATED BALANCE SHEET

OF ADESSO GROUP AS OF 30 JUNE ACCORDING TO IFRS

ASSETS

<i>in EUR k</i>	<i>30 June 2016</i>	<i>31 Dec 2015</i>
CURRENT ASSETS		
Cash in hand and at bank	14,976	28,162
Trade accounts receivable	48,936	37,215
Receivables PoC	13,295	9,515
Receivables from income taxes	1,116	216
Financial assets	280	257
Other assets	3,052	3,291
	81,655	78,656
NON-CURRENT ASSETS		
Goodwill	39,917	23,352
Intangible assets	16,769	10,230
Property, plant and equipment	6,207	5,293
Equity method investments	456	535
Financial assets	506	566
Receivables from incom taxes	13	13
Deferred taxes	810	1,522
	64,678	41,511
TOTAL ASSETS	146,333	120,167

Consolidated Balance Sheet

EQUITY AND LIABILITIES

<i>in EUR k</i>	<i>30 June 2016</i>	<i>31 Dec 2015</i>
CURRENT LIABILITIES		
Financial liabilities	6,815	4,212
Trade accounts payable	10,069	9,411
Liabilities PoC	8,424	6,968
Liabilities from income taxes	1,695	1,327
Provisions	4,337	4,083
Other current liabilities	31,854	29,539
	63,194	55,540
NON-CURRENT LIABILITIES		
Financial liabilities	36,969	17,534
Pensions and similar liabilities	171	177
Provisions	3,884	3,320
Other non-current liabilities	158	97
Deferred tax liabilities	2,838	1,024
	44,020	22,152
EQUITY		
Subscribed capital	5,874	5,800
Capital reserve	6,664	10,619
Other retained earnings	21,922	18,915
Reserve for currency conversion	624	690
Consolidated earnings	3,956	5,312
Minority share	79	1,139
	39,119	42,475
TOTAL EQUITY AND LIABILITIES	146,333	120,167

CONSOLIDATED INCOME STATEMENT

OF ADESSO GROUP FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2016 ACCORDING TO IFRS

<i>in EUR k</i>	<i>30 June 2016</i>	<i>30 June 2015</i>
Sales revenues	118,999	86,990
Other operating income	719	816
Own work capitalised	13	0
TOTAL INCOME	119,731	87,806
Costs of material	-12,146	-8,949
Personnel costs	-79,098	-57,982
Other operating expenses	-19,591	-16,699
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION (EBITDA)	8,896	4,176
Depreciation on property, plant and equipment as planned	-2,420	-1,311
Amortisation of goodwill	0	0
EARNINGS BEFORE INTEREST AND TAXES (EBIT)	6,476	2,865
Income from investments	113	172
Interest income and similar income	40	26
Interest expenses and similar expenses	-299	-80
INCOME FROM ORDINARY ACTIVITIES (EBT)	6,330	2,983
Income taxes	-2,374	-1,665
CONSOLIDATED EARNINGS	3,956	1,318
of which attributable to minority interests	146	102
of which attributable to shareholders of adesso AG	3,810	1,216
Number of shares at the end of the period	5,873,736	5,793,720
EARNINGS PER SHARE (DILUTED/BASIC, IN €)	0.65	0.21

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

OF ADESSO GROUP FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2016 ACCORDING TO IFRS

<i>in EUR k</i>	<i>30 June 2016</i>	<i>30 June 2015</i>
Net profit	3,956	1,318
ASSETS NOT TRANSFERRED TO THE INCOME STATEMENT SUBSEQUENTLY		
Actuarial gains and losses	0	0
Deferred taxes on actuarial gains and losses	0	0
ASSETS TRANSFERRED TO THE INCOME STATEMENT SUBSEQUENTLY FOR CERTAIN REASONS		
Measurement of financial instruments		
Changes not effecting net income	0	-2
Changes effecting net income	0	0
Deferred taxes	0	0
Currency translation differences	-66	496
TOTAL OTHER COMPREHENSIVE INCOME	-66	494
TOTAL INCOME	3,890	1,812
of which attributable to shareholders of the parent company	3,744	1,710
of which attributable to other shareholders	146	102

Consolidated Income Statement
 Consolidated Statement of Comprehensive Income
 Consolidated Cash Flow Statement

CONSOLIDATED CASH FLOW STATEMENT

OF ADESSO GROUP FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2016 ACCORDING TO IFRS

<i>in T€</i>	<i>30 June 2016</i>	<i>30 June 2015</i>
EARNINGS BEFORE TAX	6,330	2,983
Income from financing activities	260	54
Depreciation and amortization on property, plant and equipment and intangible assets	2,420	-172
Result from shareholdings recognized under the equity method	-113	1,311
Non-cash income / expenses	2	1
Change in pension provisions	-6	-322
Change in other provisions	-134	649
Tax payments	-2,354	-1,203
Change to net operating assets	-9,183	-1,740
CASH FLOW FROM OPERATING ACTIVITIES	-2,778	1,561
Divestments from property, plant and equipment	0	0
Change in cash and cash equivalents from initial consolidation / deconsolidation	602	8
Payments for investments in property, plant and equipment	-1,368	-866
Payments for investments in intangible assets	-1,180	-17,478
Payments for investments in financial assets	-27,688	-7,238
CASH FLOW FROM INVESTMENT ACTIVITIES	-29,634	-25,574
Dividend payments	-2,373	-1,489
Dividends from equity companies	269	0
Capital increase	231	0
Payments from minority interests	0	0
New liabilities to banks	24,000	18,379
Repayment of financial liabilities	-2,554	-874
Interest paid	-426	-52
Interest received	11	26
CASH FLOW FROM FINANCING ACTIVITIES	19,158	15,990
Currency differences	68	305
CHANGE IN CASH AND CASH EQUIVALENTS	-13,186	-7,718
Cash and cash equivalents at the beginning of the period	28,162	23,724
Cash and cash equivalents at the end of the period	14,976	16,006

CONSOLIDATED SHAREHOLDERS EQUITY STATEMENT

OF ADESSO GROUP AS OF 30 JUNE 2016 ACCORDING TO IFRS

<i>in T€</i>	<i>Share capital</i>	<i>Capital reserves</i>
01 JANUARY 2015	5,794	10,582
Share-based compensation	0	3
Increase in share capital by exercises of stock options	0	0
Effect from the first-time consolidation of subsidiaries	0	0
Other comprehensive income for the period	0	0
Consolidated profit/loss	0	0
Total comprehensive income	0	0
Dividend payment	0	0
30 JUNE 2015	5,794	10,585
01 JANUARY 2016	5,800	10,619
Share-based compensation	0	0
Effects from the acquisition of additional shareholdings in subsidiaries	0	-4,154
Increase in share capital by using authorised capital	42	0
Increase in share capital by exercises of stock options	32	199
Other comprehensive income for the period	0	0
Consolidated profit/loss	0	0
Total comprehensive income	0	0
Dividend payment	0	0
30 JUNE 2016	5,874	6,664

* Dividend payment of EUR 1.740 thousand corresponds to EUR 0.30 per share

Consolidated Shareholders
Equity Statement

Cumulated other results of the financial period	Currency translation differences	Retained earnings/ Balance sheet profit	Equity of adesso AG shareholders	Minority interests	Total Equity
	458	20,207	37,041	1,707	38,748
	0	0	3	0	3
	0	0	0	0	0
	0	0	0	8	8
	496	176	672	0	672
	0	1,216	1,216	102	1,318
	496	1,392	1,888	102	1,990
	0	-1,448	-1,448	-41	-1,489
	954	20,151	37,484	1,776	39,260
	690	23,662	40,771	1,704	42,475
	0	0	0	0	0
	0	0	-4,154	-117	-4,271
	0	0	42	0	42
	0	0	231	0	231
	-66	0	-66	0	-66
	0	3,801	3,801	155	3,956
	-66	3,801	3,735	155	3,890
	0	-1,740	-1,740	-1,508	-3,248
	624	25,723	38,885	234	39,119

CONSOLIDATED NOTES

OF THE ABBREVIATED CONSOLIDATED INTERIM REPORT FOR THE FIRST HALF OF 2016

General Information and Accounting Principles

The adesso Group (hereinafter referred to as adesso) is an IT service provider independent of manufacturers focusing on consulting and software development. On behalf of its customers, adesso provides optimised core business process design and support through the use of information technology.

This interim report relates to adesso AG and its subsidiaries. adesso AG is a corporation under German law. Its registered office is in Dortmund in the Federal Republic of Germany. The address is: adesso AG, Stockholmer Allee 20, 44269 Dortmund, Germany. The commercial register is likewise located in Dortmund (HRB 20663).

The consolidated interim report as at 30 June 2016 was prepared in accordance with International Accounting Standard (IAS) 34 “Interim Reporting” in the version recognised by the EU as well as under application of Section 315a of the German Commercial Code (HGB). The interim report contains all information required by this standard and in association with the applicable International Financial Reporting Standards (IFRS). In general, the accounting and valuation methods used to prepare the consolidated financial statements as at 31 December 2015 were also applied to this interim report.

The interim report of adesso AG should be considered in association with the consolidated financial statements as at 31 December 2015, as the interim report does not contain all information to the full extent.

The consolidated interim report was not audited or assessed according to Section 317 HGB.

Financial reporting standards that were applied for the first time or amended

The same financial reporting standards were applied, unchanged, to the abbreviated consolidated interim report as were used for the consolidated financial statements as at 31 December 2015.

Financial reporting standards that have not yet been applied

In the first half of 2016, adesso continued with its analysis of the effects of financial reporting standards that have been approved but not yet applied. adesso concluded that the application of IFRS 15 (Revenue from Contracts with Customers), which will become mandatory for financial years beginning on or after 1 January 2017, will likely have no material impact on the sales revenues recognised by adesso. As things currently stand, the application of IFRS 16 (Leases), which will have to be applied for financial years beginning on or after 1 January 2019, will mean that the right to use the administrative buildings leased in Dortmund, the corresponding lease liability pursuant to IFRS 16 and the resulting deferred tax assets will have to be stated in the financial statements of adesso. The right to use the administrative building is expected to amount to approximately EUR 12.7 million as at 31 December 2019, the lease liability to EUR 13.7 million and the deferred tax assets to EUR 0.3 million.

Companies recognised at equity

in EUR k	1st HY 2016		1st HY 2015	
	Receivables	Liabilities	Receivables	Liabilities
Joint ventures	0	0	0	0
Associates	17	0	0	0
Other	1	0	0	1

in EUR k	1st HY 2016		1st HY 2015	
	Income	Expenses	Income	Expenses
Joint ventures	0	0	1,124	26
Associates	28	1	0	0
Other	6	0	5	47

in EUR k	1st HY 2015		1st HY 2015	
As at 1 January		535		222
Additions		77		0
Pro-rata result		113		173
Dividends		-269		
Disposals		0		-146
As at the end of the period		456		249

The companies recognised at equity include the shares in Barmenia IT+ GmbH, com2m GmbH and 1Buch GmbH. The additions comprise the shares in 1Buch GmbH.

Mergers / initial consolidation of companies

On 4 May 2016, adesso AG acquired 100 % of Karlsruhe-based Smarthouse Media GmbH, a leading and globally active full-service provider of digital information and marketing platforms for banks and the financial industry. The company with more than 120 employees generated annual sales of some EUR 16 million and an EBIT margin of roughly 20 % in 2015. The purchase price amounts to EUR 24 million and in view of the low interest rate environment, adesso will finance EUR 20 million of that amount through an acquisition loan with a term of 7 years at a fixed interest rate of 1 %; the remaining sum will be financed with existing liquid assets.

The acquisition of Smarthouse Media GmbH allowed adesso AG to swiftly expand its visibility and portfolio in banking, a core industry. The company's specialist expertise in the development and operation of bank portals for complex financial products is an ideal match for adesso's sector approach. In addition, Smarthouse Media's numerous notable bank customers, some of whom are international, will expand adesso's customer

base in banking and increase the range of services offered to such customers from the IT side to the business side. The company operates more than 300 portals at several data centres. The portals are based on the company's solutions, and the data centres fulfil the strict IT security and compliance requirements that banks and stock exchange operators face.

The cost amounted to EUR 23.9 million. The transaction took place with economic effect as at 1 January 2016. No other purchase price components were agreed. The sellers are Axel Springer and two founders who are no longer involved in the company. There were no relationships between Smarthouse Media and adesso as at the date of the acquisition. The company was then renamed smarthouse adesso financial solutions GmbH effective 1 July 2016.

Goodwill resulting from the merger mainly represents the synergy potential obtained with the acquisition of Smarthouse Media GmbH, expertise in operating bank portals and the employees. According to IFRS, this amount cannot be capitalised as an asset.

The following changes were expected in the Group as at 4 May 2016:

<i>in EUR k</i>	<i>smarthouse adesso financial solutions GmbH</i>
Goodwill	16,631
Customer lists	2,761
Order backlog	873
Other intangible assets	3,022
Property, plant and equipment	666
Receivables	4,198
Other current assets	145
Liquid assets	602
TOTAL ASSETS	28,898
Tax liabilities	182
Other current liabilities	1,811
Current provisions	951
Deferred tax liabilities	2,011
TOTAL LIABILITIES	4,955
Net assets	23,943
Consideration	23,943
Acquired liquid assets being disclosed for the first time	602
Actual cash outflow for acquisition	23,341

If smarthouse adesso financial solutions had already been consolidated as at 1 January 2016, consolidated sales revenues would be EUR 124,498 thousand and net consolidated profit for the period would be EUR 4,423 thousand.

The figures are to be regarded as provisional as not all information was available at the time the interim report was being prepared.

The Supervisory Board of adesso AG agreed to the conclusion of a purchase and contribution agreement for the full takeover of Arithnea GmbH on 16 November 2015. The purchase agreement was signed on 19 November 2015 and took economic effect on 1 January 2016. Following the implementation, adesso's shares increased from 51 % to 100 %. Initially, the profits of Arithnea GmbH generated up to 31 December 2015 that have not been distributed yet were paid out to the non-controlling shareholders on a pro-rata basis in the amount of EUR 1,476 thousand. Subsequently, adesso acquired the remaining 49 % of the shares for a purchase price of EUR 5,157 thousand. The purchase price breaks down into a fixed payment of EUR 4,059 thousand, a conditional purchase price obligation of EUR 211 thousand and shares to be issued at a value of EUR 886 thousand. The difference between the purchase price and the amount of shares of minority shareholders has been settled with the capital reserve attributable to adesso shareholders.

Basis of consolidation

Next to the parent company adesso AG, Dortmund/Germany, all 21 material subsidiaries (31 December 2015: 21) were included in the consolidated interim statement as at 30 June 2016 as fully consolidated subsidiaries. smarthouse adesso financial solutions GmbH, which was acquired in the financial year, was included in the consolidated financial statements for the first time during the financial year.

PSLife GmbH was merged with adesso insurance solutions GmbH. Three companies are included at equity.

Consolidation method

In the consolidated financial statements according to IFRS, the consolidated companies are presented as though they were a single economic unit. All intragroup relationships between the consolidated companies therefore have to be eliminated. As part of the consolidation of investments in subsidiaries, participations in subsidiaries are offset against the pro-rata equity of the respective subsidiary. Obligations between the Group companies are eliminated in the course of debt consolidation.

Currency conversion principles

The functional currency for the companies included in the adesso consolidated financial statements corresponds to the respective currency of the country where the company has its registered office. Conversion of the financial statements prepared in the national currency of companies whose functional currency is not the Euro is performed according to the modified closing rate method (IAS 21.39).

in EUR k	Closing rate		Average rate	
	1st HY 2016	1st HY 2015	1st HY 2016	1st HY 2015
Swiss franc (CHF)	0.920217	0.960338	0.912381	0.960769
British pound (GBP)	1.209921	1.405679	1.284533	1.386847
US dollar (USD)	0.900739	0.893735	0.896432	0.905196
Turkish Lira (TRY)	0.311915	0.333856	0.306866	0.338857

Selected information on the balance sheet

Goodwill

The recoverability of goodwill is reviewed once a year (31 December). It is reviewed when circumstances suggest the value could be diminished. The basic assumptions for determining the recoverable amount for the various cash-generating units were explained in the consolidated financial statements as at 31 December 2015.

Financial liabilities

The following table presents the composition and maturity structure of the financial liabilities as at 30 June 2016:

FIRST HALF OF 2016				
<i>in EUR k</i>	<i>Total</i>	<i>Remaining term up to 1 year</i>	<i>Remaining term 1 to 5 years</i>	<i>Remaining term more than 5 years</i>
Loans	42,954	6,398	21,833	14,723
Other financial liabilities	830	417	413	0
TOTAL	43,784	6,815	22,246	14,723

FIRST HALF OF 2015				
<i>in EUR k</i>	<i>Total</i>	<i>Remaining term up to 1 year</i>	<i>Remaining term 1 to 5 years</i>	<i>Remaining term more than 5 years</i>
Loans	23,234	3,668	8,959	10,607
TOTAL	23,234	3,668	8,959	10,607

Deferred taxes

No deferred taxes were recognised on corporate and trade tax loss carry-forwards in the amount of EUR 0 thousand (31 December 2015: EUR 63 thousand) or foreign loss carry-forwards of EUR 8,437 thousand (31 December 2015: EUR 7,169 thousand). Except for loss carry-forwards from Swiss subsidiaries (which can be carried forward for seven years) and the Turkish subsidiary (which can be carried forward for five years), loss carry-forwards can be carried forward perpetually.

Distribution of dividends

The Annual Shareholders' Meeting of adesso AG on 31 May 2016 approved a distribution of dividends for the financial year 2015 in the amount of EUR 0.30 (previous year: EUR 0.25) per share entitled to dividend distribution. The distribution amounted to EUR 1,740 thousand in the reporting period.

Equity

The Annual Shareholders' Meeting on 2 June 2015 authorised the Executive Board – with the consent of the Supervisory Board – to acquire treasury shares of up to a total of 10 % of the current share capital until 1 June 2020. Together with any treasury shares acquired for other reasons and held by the company, the volume of treasury shares acquired on the basis of this authorisation may not at any time exceed 10 % of the company's share capital.

The Annual Shareholders' Meeting also resolved the creation of new conditional capital so as to grant subscription rights to employees, executives and members of the adesso AG Executive Board as well as to mem-

bers of the management of affiliated companies. As a result, the company's authorised and conditional capital is comprised as follows:

Authorised capital

The Executive Board is authorised to increase the share capital until 3 June 2018 with the consent of the Supervisory Board in the amount of up to EUR 2,873,858.00 by issuing 2,873,858 new no-par bearer shares, on one or more occasions, in exchange for cash contributions and/or contributions in kind (authorised capital 2013). During the reporting period, 41,714 shares were issued, meaning that the Executive Board can still issue a maximum of 2,832,143 new no-par bearer shares. Shareholders are generally entitled to subscription rights. The new shares may be assumed by one or more banks with the obligation to offer subscription rights to the shareholders. The Executive Board – with the consent of the Supervisory Board – has the right to exclude shareholder subscription rights one or more times, a) as far as necessary in order to exclude fractional amounts from shareholder subscription rights, b) as far as the new shares are issued in exchange for contributions in kind, particularly in the form of companies, parts of companies and investments in companies, licence rights or other receivables, c) as far as new shares are issued in exchange for cash contributions and the total proportional amount of share capital corresponding to the new shares does not exceed the total amount of EUR 574,771.00, or if this amount is lower, 10 % of the share capital at the effective date and at the date this authorisation to exclude subscription rights is first exercised (maximum amount) and the issue price of the new shares is not significantly lower than the market price of equivalent shares already listed on the stock market.

Share capital allocated to each share is to be taken into account for the maximum amount, which has been or will be used to satisfy bonds with conversions or share options, which has been or will be issued after 4 June 2013 pursuant to Section 186 (3) Sentence 4 of the German Stock Corporation Act (AktG) under exclusion of subscriptions rights, or which will be sold after 4 June 2013 under application of Section 186 (3) Sentence 4 AktG. This is not taken into consideration as far as authorisations are newly issued by the Annual Shareholders' Meeting regarding the issue of bonds with conversions or share options according to Section 221 (4) Sentence 2, Section 186 (3) Sentence 4 AktG or the sale of treasury shares according to Section 71 (1) Number 8, Section 186 (3) Sentence 4 AktG after such authorisation is exercised. The Executive Board also has the right to establish additional details of the capital increase and its realisation with the consent of the Supervisory Board. The Supervisory Board is authorised to amend Article 3 of the bylaws after the increase in share capital is realised in full or in part according to the respective utilisation of the authorised capital and, if the authorised capital is not or not fully utilised by 3 June 2018, after the end of the authorisation period.

Conditional capital

The nominal value of the conditional capital as at 30 June 2016 is EUR 508,670 and is comprised as follows:

The share capital was increased conditionally by up to EUR 8,670.00 (conditional capital 2009). This conditional capital increase serves exclusively to fulfil option obligations, which were granted by authorisation of the General Meeting of 29 May 2009 until 15 December 2013. The conditional capital increase will only be conducted insofar as the holders of the issued options exercise their right to subscribe to the shares of the company and the company does not grant any of its own shares to fulfil the option obligations. The new shares participate, through the exercising of the options, in the profit from the beginning of the financial year. During the reporting period, 32,301 shares were issued due to the conversion of options.

The share capital was again increased conditionally by up to EUR 500,000.00 (conditional capital 2015). This conditional capital increase serves to exercise subscription rights, which were granted until 15 December 2019 by authorisation of the General Meeting of 2 June 2015 (stock option plan 2015). The Executive Board or, where members of the Executive Board are affected, the Supervisory Board were authorised to issue to the defined beneficiaries up to 500,000 subscription rights to one share each within the framework of stock option plan 2015. The conditional capital increase will only be conducted insofar as subscription rights are issued

within the scope of stock option plan 2015 and the holders of these subscription rights exercise their right to subscribe and provided no treasury stocks are used for this purpose. The new shares participate, through the exercising of the subscription rights, in the profit from the beginning of the financial year.

Selected information on the income statement

Other operating income

Other operating income is comprised as follows:

<i>in EUR k</i>	<i>1st HY 2016</i>	<i>1st HY 2015</i>
Income from the release of provisions	110	257
Income from the redemption of other obligations	90	168
Income from trade accounts receivable written off	0	26
Income from translation differences	143	182
Grants for expenses	30	84
Other	346	99
TOTAL	719	816

Personnel costs

Personnel costs are comprised as follows:

<i>in EUR k</i>	<i>1st HY 2016</i>	<i>1st HY 2015</i>
Wages and salaries	68,279	49,929
Social security contributions	10,819	8,053
TOTAL	79,098	57,982

The increase in personnel costs is due to a number of factors: For the first time in the first half of 2016, the acquisition from 2015 in Switzerland (Born Informatik AG) is included for the entire period; the figures for smarthouse adesso financial solutions GmbH are included for two months on a pro-rata basis, and adesso AG's growth trend continues.

Depreciation and amortisation

The depreciation on and amortisation of non-current assets is EUR 2,420 thousand for the financial year (previous year: EUR 1,311 thousand). Of this amount, EUR 640 thousand (previous year: EUR 190 thousand) is accounted for by the amortisation of intangible assets capitalised in the course of mergers.

Selected Information on the cash flow statement

Cash outflows from operating activities increased by EUR 7,443 thousand to EUR -9,183 thousand and is largely attributable to the rise in trade accounts receivable and receivables PoC. Cash outflows for investment activities rose by EUR 4,060 thousand to EUR 29,634 thousand. The presentation of the purchase of smarthouse adesso financial solutions GmbH had the greatest impact, with the presentation of the purchase of the remaining 49 % minority interests in Arithnea GmbH having a further material effect. The purchases of Smarthouse Media and the remaining Arithnea shares were largely financed by third parties and, as new liabilities to banks, had a significant impact on cash flows from financing activities. Cash flows from investment activities rose by EUR 3,168 thousand compared to the previous year.

Segment Reporting

Business segments are allocated pursuant to the adesso Group's business areas. The segment structure reflects the adesso Group's current organisational and management structure. This means that segment reporting is in line with current IFRS 8 requirements.

SEGMENT REPORTING, FIRST HALF OF 2016

<i>in EUR k</i>	<i>IT-Services</i>	<i>IT-Solutions</i>	<i>Reconciliation</i>	<i>Consolidated</i>
Sales revenues	112,851	21,614	-15,466	118,999
Changes in inventories	3,082	459	-3,541	0
Own work capitalised	0	0	13	13
Other operating income	4,063	532	-3,876	719
Cost of materials	-25,942	-5,478	19,274	-12,146
Personnel costs	-70,051	-12,222	3,175	-79,098
Other operating expenses	-16,994	-3,581	984	-19,591
EBITDA	7,004	1,324	568	8,896
Depreciation and amortisation	-1,336	-245	839	-2,420
Amortisation of goodwill	-1,551	-133	1,683	0
EBIT	4,118	946	1,414	6,476
Income from financing and investment activities	2,051	28	-2,225	-114
EARNINGS BEFORE TAX	6,169	974	-813	6,330
Amortisation of goodwill	1,551	133	-1,684	0
EBT before amortisation of goodwill	7,719	1,107	-2,494	6,332

SEGMENT REPORTING, FIRST HALF OF 2015

<i>in EUR k</i>	<i>IT-Services</i>	<i>IT-Solutions</i>	<i>Reconciliation</i>	<i>Consolidated</i>
Sales revenues	81,316	17,701	-12,027	86,990
Changes in inventories	3,266	-41	-3,225	0
Own work capitalised	0	0	0	0
Other operating income	3,422	890	-3,496	816
Cost of materials	-18,597	-5,816	15,464	-8,949
Personnel costs	-51,275	-8,910	2,203	-57,982
Other operating expenses	-14,115	-3,329	745	-16,699
EBITDA	4,017	495	-336	4,176
Depreciation and amortisation	-861	-227	-223	-1,311
Amortisation of goodwill	-1,100	-133	1,233	0
EBIT	2,056	135	674	2,865
Financial result	-23	18	123	118
EARNINGS BEFORE TAX	2,033	153	797	2,983
Amortisation of goodwill	1,100	133	-1,233	0
EBT before amortisation of goodwill	3,133	286		

	<i>Sales with external clients by client's place of business</i>		<i>Non-current assets</i>	
	<i>1st HY 2016</i>	<i>1st HY 2015</i>	<i>1st HY 2015</i>	<i>1st HY 2015</i>
Germany	91,589	71,111	43,396	27,173
thereof goodwill			26,072	9,440
Austria	3,015	2,865	3,608	3,625
thereof goodwill			3,552	3,552
Switzerland	20,694	9,597	16,283	350
thereof goodwill			10,293	0
Other	3,701	3,417	112	113

More than 10 % of the sales generated by adesso were not applicable to any one customer in reporting periods 2016 and 2015.

The segmenting and the reporting of segment results are subject to the same principles applied in the consolidated financial statements as at 31 December 2015. smarthouse adesso financial solutions GmbH is assigned to the "IT-Services" segment.

Supplementary Information

Executive Board

In May 2016, the Supervisory Board of adesso AG resolved to prematurely extend the Executive Board contract with Michael Kenfenheuer which expires at the end of the year; this resolution has also been implemented. The Chairman of the Executive Board will therefore continue to profoundly shape the future development of adesso AG until the end of 2021.

Long-term remuneration

The valuation is based on the assumptions described in the Annual Report 2015.

Total remuneration of the virtual shares granted to the Executive Board amounted to EUR 662 thousand during the reporting period. This increase is largely attributable to the rise in adesso AG share price.

Related party disclosures

adesso maintains ordinary business relationships with associated non-consolidated companies and other related parties at market terms and conditions. Loans were not issued to members of the Executive Board or Supervisory Board.

As at 30 June 2016, there were no significant changes to the related party disclosures included in the consolidated financial statements as at 31 December 2015.

Information on risks

Identified risks and their potential impact are described in the Management Report.

Earnings per share

As at 30 June 2016, 6,163 outstanding options under the employee participation plan had to be taken into account in calculating the diluted earnings per share.

1st HY	2016	2015
Proportion of consolidated earnings allocated to adesso AG shareholders (in EUR k)	3,801	1,198
Average number of shares issued and outstanding	5,820,757	5,763,327
Undiluted earnings per share (in EUR)	0.65	0.21
Average number of shares issued and outstanding, including the dilution effect of outstanding options	5,826,920	5,802,640
Diluted earnings per share (in EUR)	0.65	0.21

Employee option programme

Expenses relating to the employee option programme amounted to EUR 2 thousand during the reporting period.

Other disclosures

The Executive Board and Supervisory Board found approval of their actions at the Annual Shareholders' Meeting on 31 May 2016. DOSU AG Wirtschaftsprüfungsgesellschaft, Dortmund/Germany was appointed by the Annual Shareholders' Meeting as auditor of the annual financial statements and consolidated financial statements for financial year 2016.

Events after the balance sheet date

There were no significant events for adesso AG.

STATEMENT OF THE LEGAL REPRESENTATIVES

We confirm that the Consolidated Interim Statement, in accordance with the applicable accounting principles in observation of the principles of proper accounting and to the best of our knowledge, present a true and fair view of the group's net assets, financial position and results of operations, and that the consolidated interim management report presents a true and fair view of the group's results of operations and position in addition to describing the material opportunities and risks for the expected development of the group over the remaining course of the financial year.

Dortmund, August 2016

adesso AG
The Executive Board



Michael Kenfenheuer



Christoph Junge



Andreas Prenneis

FORWARD-LOOKING STATEMENTS

This interim report contains forward-looking statements that pertain to the business, financial position and income of adesso AG. Forward-looking statements are not historical facts and are indicated by a number of terms, including “believe”, “expect”, “predict”, “intend”, “forecast”, “plan”, “estimate”, “endeavour”, “foresee”, “assume”, “pursue the goal” and other similar expressions. Forward-looking statements are based on current plans, estimates, forecasts and expectations and are therefore subject to risks and elements of uncertainty that could result in significant deviations between actual developments, income and performance and the developments, income and performance explicitly stated or implicitly supposed in the forward-looking statements.

Readers are advised not to place undue faith in these forward-looking statements, which are valid solely at the moment at which they are made. adesso AG does not intend to publish an update of these forward-looking statements to take into account events or circumstances that take place or arise after the date of publication of this interim report and does not assume any liability for doing so.

FINANCE CALENDAR

<i>Date</i>	<i>Event</i>
2016-02-17	Small & Mid Cap Conference of ODDO SEYDLER BANK AG, Frankfurt/Main
2016-03-11	Bryan, Garnier & Co TMT Conference, Paris
2016-03-24	Publication of the 2015 annual report, financial press / analyst conference, Dortmund
2016-04-21	11 FCF Family-to-Family Day of the FCF Fox Corporate Finance GmbH, Munich
2016-05-09	7th DVFA Spring Conference, Frankfurt/Main
2016-05-13	Interim announcement of the group within the 1st half-year
2016-05-31	Regular ASM, Dortmund
2016-06-01	Dividend payment
2016-08-26	Publication of the 2016 half-year figures
2016-10-06	Warburg Small Cap Selection, Frankfurt/Main
2016-11-14	Interim announcement of the group within the 2nd half-year
2016-11-21	German Equity Forum/One-on-Ones, Frankfurt/Main
2016-12-20	Warburg Meet the Founders & Software/IT-Services, Berlin

IMPRINT

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