HALF-YEAR FINANCIAL REPORT 2023

SNP DATA. TRANSFORMATION. EXPERIENCE.

KEY FIGURES

in € million, unless otherwise indicated	H1 2023	H1 2022	Delta	Delta in %
Order entry	109.4	82.6	+26.8	+32.2
Revenue	95.6	83.3	+12.3	+14.7
EBITDA	8.6	7.2	+1.4	+20.0
EBIT	3.5	1.8	+1.6	+89.3
Profit or loss for the period	1.6	0.1	+1.5	+1,153.9
Earnings per share (in €)	0.23	0.02	+0.21	+1,050.0
Operating cash flow	-9.0	-12.6	+3.6	-28.9
Cash and cash equivalents	24.9	24.6	+0.2	+0.9
Employees as of June 30	1,361	1,323	+38	+2.9

in € million, unless otherwise indicated	Q2 2023	Q2 2022	Delta	Delta in %
Order entry	51.0	38.5	+12.5	+32.2
Revenue	48.5	42.3	+6.2	+14.7
EBITDA	3.6	3.4	+0.2	+4.4
EBIT	1.0	0.7	+0.3	+44.0
Profit or loss for the period	0.3	0.7	-0.4	-53.3
Earnings per share (in €)	0.04	0.10	+0.06	-60.0
Operating cash flow	-7.9	-7.4	-0.5	+6.6

CONTENT

Dr. Jens Amail, CEO

LETTER FROM THE CEO

Dear Shareholders,
Ladies and Gentlemen,

We want to take stock after the first six months of the year and look back at what was an eventful and successful first half of 2023 – impressively reflected in our financial performance indicators:

Order entry increases significantly

At approximately € 109 million, **order entry** across the Group in the first half of 2023 was up roughly 32% over the previous year – we achieved this exclusively with deals in the respective areas of our core business.

The high growth rates generated by our strategically important partner business played a major role in the good order situation; order entry with partners increased 46% in the first half year to approximately € 41 million.

We also saw a significant rise in SAP S/4HANA projects, both in the number of projects and in the project volumes. At around €55 million in the first half of 2023, order entry is significantly higher than the previous year's level of €30 million. This means that the SAP S/4HANA projects now account for more than half of our total order entry.

Group revenue: 15% increase in both Q1 and Q2

We were able to build on the growth achieved in the first quarter. **Group revenue** in the first six months of the fiscal year rose by 15% year-over-year to around €96 million.

Our internationalization strategy is proving to be successful. We achieved disproportionately high growth rates outside our core region of Central Europe; high double-digit growth rates were recorded in the UKI and USA regions.

As we had announced previously, our strong international momentum is reinforcing our strategy of penetrating further attractive markets: Since the end of last year, we have been active in Mexico, one of the largest SAP markets in Latin America, and we are currently opening additional offices in São Paolo and Dubai.

Positive operating trend in a robust and growing market

Operating earnings (EBIT) are on a growth course compared with 2022. At € 3.5 million, we are well ahead of last year's figure of € 1.8 million; we would have seen an even greater improvement in earnings if not for the negative currency effects and extraordinary one-off charges arising from the takeover offer.

The latest positive business development and our very successful Transformation World customer and partner conference, which was hosted at the SNP Dome in Heidelberg in June, are clear indicators of the positive momentum we currently see in the market.

Public takeover offer

During the voluntary public takeover offer made by Octapharma AG to SNP shareholders, the Managing Directors and the Board of Directors have decided not to sell their shares.

This is because we are more than convinced about our company's future development and its commercial potential. We are well positioned in a robust and growing market and will resolutely pursue our growth strategy.

It therefore can be in the interest of investors with a longer-term horizon to participate in the positive development of the enterprise value and share price in the future too.

Our objective is for each quarter to be as successful as possible so that we can achieve a long-term improvement in profitability. Although we are just at the beginning of our transformation, the first two quarters of the ongoing year show that we were able to make crucial progress in further developing the SNP Group on a strategic and technological level, as was announced.

Expanding our partner network and intensifying our relationship with SAP

One of the key elements of our partner strategy is to step up the quality of our strategic cooperations with well-known partners. We are constantly striving to expand our partner ecosystem; 16 of the according to Gartner top 20 SAP system integrators now rely on a strategic cooperation with SNP and use our CrystalBridge software platform for their customer projects.

At Transformation World, we signed another partnership agreement with SAP HCM expert scdsoft AG from Karlsruhe.

We also strengthened our technology partnership with US company Snowflake Inc. and will offer the Data Streaming for SAP app in the future. Based on the SNP Glue solution, Snowflake customers can use this new app to integrate their SAP data into their Snowflake accounts, which will create added value and enhance efficiency.

SAP is and remains a key partner with whom we cooperate very closely on different levels. Our common goal remains unchanged; we want to significantly increase the adoption rate for SAP S/4HANA and move customers rapidly and securely to the cloud. We are active member of the SAP S/4HANA Selective Data Transition Community and already have a very high share of relevant global S/4 projects here.

We are currently taking our partnership with SAP to the next level. Together with the SAP Customer Evolution Program, we are working on a joint value proposition to make it easier and more attractive for customers to make the move to S/4. Being able to welcome for the first time a keynote speaker from SAP at our Transformation World, an event with more than a thousand participants, also highlights the excellent cooperation between the two companies.

Further developing our software solutions – beyond SAP

In line with this year's Transformation World slogan, "Explore New Horizons," we are on a journey together with our customers and partners. With our Elevate strategy, we are looking at the technological advancement of our software beyond SAP.

For some time now, we have been offering solutions that go beyond SAP; SNP Glue, for example, provides SAP data for cloud platforms. With the newest release, we also want to be independent of the manufacturers regarding data sources.

The market launch of the new SNP Glue generation will take place in the fall, making it possible for us to address new target groups and expand into new markets.

Changes on the Board of Directors and at Managing Director level

Regardless of our operational and strategic successes, there was a lot happening in our corporate governance structure at the same time.

Andreas Röderer started as our new CFO at the beginning of June. His expertise in the financial sector and auditing experience in the SME space makes him a perfect match for us. In addition to his wide-ranging business partnering competencies, he has valuable knowledge on the SAP customer side – particularly regarding their transformation requirements. He has the ideal skill profile to bring SNP's growth strategy to the next level together with the team.

In the weeks that followed the Annual General Meeting, Christoph Hütten and Richard Roy decided to step down from their positions on the Board of Directors. I would like to extend my sincere thanks to both gentlemen for their very committed work on the Board of Directors over the last couple of years.

We are now looking forward to welcoming Thorsten Grenz as a new member of the Board of Directors. I personally very much appreciate both the continued cooperation with him and his expertise. I am absolutely convinced that all parties have SNP's best interests in mind and that we are moving in the right direction.

We still have significant efforts ahead of us, such as improving our cash flow management. Our finance team is focusing here on our debtor management and on improving internal processes; in sales, we are looking at structuring our payment terms and conditions.

Integrating sustainability and diversity in our strategy is a key element of our corporate development. We are working on constantly improving our structures and processes in all three areas of environmental, social and governance aspects.

To summarize, thanks to the trust placed in us by our customers and partners, we can look back at a positive first half-year and look ahead to the future with optimism. With the raising pressure for companies to be agile, alongside increasingly complex IT landscapes, more and more customers and partners are recognizing the significant value creation potential of our solutions. We enable the decision-makers to focus entirely on their digital transformation processes, while together with our partners we manage their enterprise data.

I would like to sincerely thank all our employees for their unbelievable cooperation in the last few months. As part of this exceptional team, I am proud of what we have achieved together and look forward to what the future holds for us.

I would like to thank all shareholders for the trust they have placed in us. The entire SNP team will continue to do everything possible to justify this trust in the future as well.

Dr. Jens Amail

SNP IN THE CAPITAL MARKETS

Voluntary public takeover offer

On July 7, 2023, the Board of Directors and the Managing Directors of SNP published their joint reasoned statement pursuant to Section 27 (1) WpÜG on Octapharma AG's voluntary public takeover offer (cash offer) to the shareholders of SNP.

The detailed terms and conditions of the voluntary public takeover offer can be found in the offer document. This, together with the current status of the takeover bid, can be viewed at *https://www.angebot-2023.de*.

This report does not include an overview of the shareholder structure.

KEY SHARE DATA

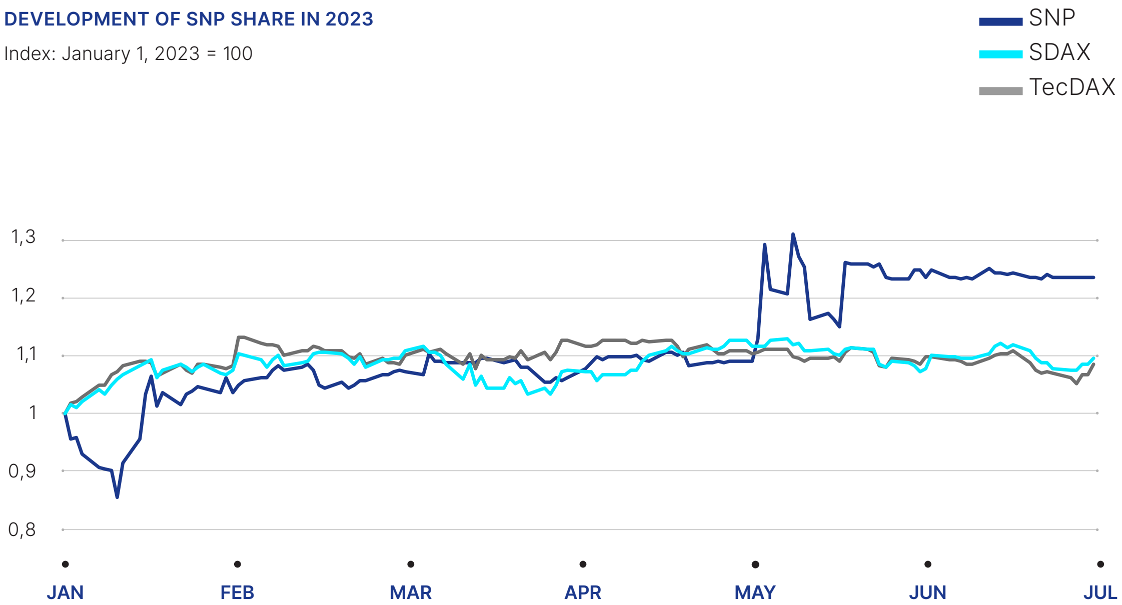
Security identification number	720 370
Symbol	SHF
Market segment	Prime Standard
Share class	No-par-value shares
Shares as of June 30, 2023	7,385,780 (Grundkapital 7,385,780 €)
Indices	CDAX, DAXsector All Software, DAXsubsector All IT-Services, Prime All-Share, Prime Standard Index

SHARE PERFORMANCE INDICATORS

		2023	**2022**
Earnings per share as of June 30	in €	0.23	0.02
Market capitalization as of June 30	in € m	247	183
Share price as of June 30	in €	33.40	24.75
Highest price in the first half	in €	35.50	39.68
Lowest price in the first half	in €	23.05	23.60

DEVELOPMENT OF SNP SHARE IN 2023

Index: January 1, 2023 = 100



Further information on the SNP share can be found at
https://www.snpgroup.com/en/stock-information

Further information on investor relations can be found at
https://www.snpgroup.com/en/investor-relations

FINANCIAL CALENDAR

Q3 2023	October 26, 2023

ANALYSTS

- Berenberg
- Stifel
- M.M. Warburg

Interim Group Management Report of SNP Schneider-Neureither & Partner SE

for the Period From January 1 to June 30, 2023

SNP AT A GLANCE

SNP helps companies worldwide to tap into the full potential offered by their data and to embark on their very own journey to a digital future. With its CrystalBridge® data excellence platform, GLUE® data management software and its BLUEFIELD™ approach, SNP has established a comprehensive industry standard, enabling faster and more secure restructuring and modernization of SAP systems and realizing data-driven innovations via the cloud.

SNP serves multinational companies in every sector. SNP was founded in 1994 and has been publicly traded since 2000. As of August 2014, the company is listed on the Prime Standard segment of the Frankfurt Stock Exchange (ISIN DE0007203705). Since 2017, the company has operated as a European stock corporation (Societas Europaea/SE).

Additional information on the business model and strategy can be found in the SNP Annual Report 2022 from page 60 onward.

ECONOMIC REPORT

Global Economic Situation

The first half of 2023 was defined in particular by rising interest rates, a persistently high inflation rate and the Russia-Ukraine war. At the same time, many countries had high borrowing levels that limited their scope for implementing fiscal policy measures. Despite the considerable geopolitical tension, commodity prices stabilized, and food and energy prices fell. Supply chain disruptions, which occurred mainly as a result of the COVID-19 pandemic, also eased worldwide.

In its “World Economic Outlook Update,” which was published in July 2023, the International Monetary Fund (IMF) assumes that the recent stress in the financial sector will be contained and stringent policy measures will lower inflation. The IMF expects global headline inflation of 6.8% in 2023 after 8.7% in 2022. Many countries are unlikely to meet their target inflation in 2023 or 2024.[1]

In July 2023, the IMF’s economists revised slightly upward their global economic output estimates for 2023. The forecasts assume that the recent financial sector turmoil will be contained and will not lead to material disruptions in global economic activity. The IMF now estimates the worldwide rise in gross domestic product in 2023 at 3.0%, 0.2 percentage points higher than in the April 2023 forecast. Economic growth is again expected for 2024, which matches the Januaryfigure in the April 2023 forecast.[2] Both values are significantly lower than the average economic growth of 3.7% from 2010 to 2019.[3]

IT Transformation Market

Sentiment is gloomy among IT consultants

The business climate index for the consulting industry prepared by the FederalGerman Association of German Management ConsultantsConsultancies (BDU) for the consulting industry in June 2023 shows a marked decline in the assessment of the course of business trend in the consulting sector. At 96.7 points in the second quarter of 2023, the index value was below that of the first quarter of 2023 (105.3 points) and the second

[1] International Monetary Fund (IMF), World Economic Outlook Update, July 2023.

[2] International Monetary Fund (IMF), World Economic Outlook Update, July 2023.

[3] International Monetary Fund (IMF), World Economic Outlook – A Rocky Recovery, April 2023.

quarter of 2022 (100.2 points). The IFO Business Climate Index for the economy as a whole, which is calculated according to the same system as the BDU, was 88.5 points in June 2023. This represents a decline of 4.8 points compared to the first quarter of 2023. Despite the sharp decline in the index, sentiment in the consulting sector therefore remains better than in the economy as a whole. The consulting sector expects positive effects from the use of artificial intelligence (AI), which 71% of respondents believe will lead to opportunities for new positioning.[4]

Decline in global M&A activities

The market for mergers & acquisitions declined sharply in the first half of 2023, which was defined by uncertainties. The number of M&A transactions (27,003; -9%), as well as the transaction volume (USD 1,208 billion; -39%), fell in comparison with the previous year. Nonetheless, the numbers are above pre-COVID-19 pandemic levels. There were regional differences in the development of the M&A market. In the EMEA region (Europe, the Middle East and Africa), the market for M&A transactions was down significantly, with transaction volume falling by 50%. Germany, Italy, Austria and Switzerland were affected to a lesser extent by the decline. In Asia, the M&A markets declined especially in China and South Korea, while the Japanese market remained stable in a secure environment with lower interest rates. This provided M&A opportunities for investors who were prepared to develop new markets.[5]

Cloud Transformation Increasingly Significant

The process of transformation to cloud-based IT data transformations offers companies wide-ranging potential – from improved cost and energy efficiency to the achievement of ESG goals. The versatile advantages offered by the cloud mean that it is increasingly playing a crucial role in helping companies to maintain their competitiveness. Up to this point in 2023, 89% of the companies surveyed in Germany used cloud-based computing power; in 2022, the figure was 84%. Another 8% are either planning or discussing the use of cloud computing. Only 3% are not currently considering any use of cloud technology. Companies are using both the public (55%) and private (72%) cloud. Those are the results of a representative survey carried out by Bitkom Research in May 2023, which covers 554 companies with 20 or more employees in Germany.

The results show that most companies in Germany associated cloud computing with more than just storage and access to scalable computing power. Companies see cloud computing as a means of reducing costs (64%) and CO2 emissions (63%). Along with improving IT security, the conversion to platforms and software as a service (SaaS) and improving IT security are important targets for 57% of the companies switching to cloud computing.[6]

The Changeover to SAP S/4HANA with "SNP: Selective Transformation to SAP S/4HANA"

The ERP product SAP S/4HANA is one of the key reasons why increasing numbers of companies are implementing their digital transformation by means of process changes and a cloud strategy. This reflects the fact that mainstream maintenance for the core applications of the SAP Business Suite 7 will only be provided up to the end of 2027; optional extended maintenance is offered until the end of 2030.[7] For SNP, this trend is a key growth driver.

[4] Federal Association of German Management Consultants (BDU), Press Release on the Business Climate in the Consulting Sector – Q2 2023 (https://www.bdu.de/media/357347/230628_pm_bdu_gki_2023.pdf)

[5] PwC, Global M&A Industry Trends: 2023 Mid-Year Update (https://www.pwc.com/gx/en/services/deals/trends.html).

[6] Cloud Report 2023 – Welche Rolle spielt die Cloud für die deutsche Wirtschaft? (https://www.bitkom.org/sites/main/files/2023-05/230516Bitkom-ChartsCloud-Reportfinal.pdf).

[7] SAP, 2020 (https://news.sap.com/germany/2020/02/wartung-s4hana-sap-business-suite-7/#ftn).

Impact on the SNP Group

The ten leading IT consulting firms worldwide achieved a revenue volume of more than EUR 280 billion in 2022. This is a markedsignificant increase overcompared to 2021. As a leading world provider of software to cope with complex digital transformation processes, SNP addresses a segment of this capital- and personnel-intensive IT consulting market. For IT consulting firms, technical data migration is a highly challenging and increasingly critical part of large-scale consulting projects. Unlike in the case of traditional IT consulting in the ERP environment, SNP employs an automated approach using proprietary software.

SIGNIFICANT EVENTS IN THE FIRST HALF OF 2023

New CEO and CFO

With effect from January 16, 2023, the Board of Directors appointed Dr. Jens Amail as Managing Director and new CEO of SNP SE. His predecessor as CEO, Michael Eberhardt, left the company at the end of March following an orderly handover.

With effect from June 1, 2023, the Board of Directors appointed Andreas Röderer as Managing Director and new CFO of SNP SE. His predecessor as CFO, Prof. Dr. Thorsten Grenz, left the company at the end of May following an orderly handover.

The 2023 Annual General Meeting

SNP SE's Annual General Meeting took place on May 23, 2023, as an in-person Annual General Meeting. The following resolutions obtained the necessary majorities:

- Resolution on the appropriation of profit
- Resolution on the discharge of the Managing Directors
- Resolution on the selection of the auditor of the annual financial statements and the auditor of the consolidated financial statements, and auditor for any other interim financial statements
- Resolution on the approval of amendment of the remuneration system for the Managing Directors

The following resolutions did not obtain the necessary majorities:

- Adjusted proposal for the revision of the Articles of Association to change the governance system from a monistic to a dualistic system of management
- Resolution on the approval of the remuneration report

The following resolutions were deferred with the necessary majority due to points of order

- Resolution on the discharge of the Board of Directors
- Resolution on the amendment of the Articles of Association on the virtual Annual General Meeting, on the composition of the Board of Directors and on notifications by the company
- Expansion of the number of members of the Board of Directors and election to the Board of Directors

Changes in the Board of Directors

Richard Roy, Chairman of the Board of Directors, informed the company on June 20, 2023, that he would resign from his position as member of the Board of Directors with effect from July 31, 2023. Richard Roy has been serving on the Board of Directors since June 2021 and has been its Chairman since October 2022; his resignation was preceded by the resignation of Prof. Christoph Hütten, who resigned from the Board of Directors with effect from June 30, 2023.

It was announced on June 26, 2023, that the Board of Directors would propose the former Managing Director and CFO, Prof. Dr. Thorsten Grenz, as a new member for the Board of Directors. The nomination is fully supported by all Managing Directors. SNP immediately requested the judicial appointment of Thorsten Grenz as a new member of the Board of Directors.

Takeover offer

On May 17, 2023, Octapharma AG published its decision to make a voluntary public takeover offer to the shareholders of SNP to acquire all no-par value bearer shares of SNP by way of a takeover offer. The bidder published the offer document on June 26, 2023. The offer followed the joint acquisition of more than 30% of the shares in the company by Octapharma AG and Mr. Wolfgang Marguerre. Pursuant to Section 2 (5) (3) of the German Securities Acquisition and Takeover Act (WpÜG), Mr. Marguerre is a person acting in concert with Octapharma AG.

On July 7, 2023, the Board of Directors and the Managing Directors of SNP published their joint reasoned statement pursuant to Section 27 (1) WpÜG on Octapharma AG's voluntary public takeover offer (cash offer) to the shareholders of SNP. In this offer, they refrain from making a recommendation to SNP shareholders (known as a "neutral opinion"), taking into account the different valuation options of the offer. For further details, please refer to the statement. This is posted at *https://investor-relations.snpgroup.com/de/.*

The detailed terms and conditions of the voluntary public takeover offer can be found in the offer document. This, together with the current status of the takeover bid, can be viewed at *https://www.angebot-2023.de.*

BUSINESS PERFORMANCE OF SNP SCHNEIDER-NEUREITHER & PARTNER SE IN THE FIRST HALF OF 2023

Order Backlog and Order Entry

in € million	H1 2023	H1 2022	Δ
Order entry	**109.4**	**82.6**	**+32%**
Services	74.8	52.4	+43%
Software	29.6	23.0	+29%
EXA	5.0	7.2	-31%
Order backlog	**140.3**	**130.1**	**+8%**
Services	105.7	77.8	+36%
Software	30.9	46.9	-34%
EXA	3.7	4.5	-18%

in € million	Q2 2023	Q2 2022	Δ
Order entry	**51.0**	**38.5**	**+32%**
Services	36.7	26.0	+41%
Software	13.0	10.4	+25%
EXA	1.3	2.1	-38%

Order intake of € 109.4 million in the first half of the year was increased substantially by € 26.8 million, or 32%, compared to the previous year (previous year: € 82.6 million), which is mainly attributable to the acquisition of major projects from well-known customers in the USA, CEU and UKI regions.

€ 74.8 million, or approximately 68%, of the order entry volume is attributable to the **Services business segment** (previous year: € 52.4 million, or approximately 63%).

The **Software business segment** accounts for € 29.6 million, or approximately 27%, of the order entry volume (previous year: € 23.0 million, or approximately 28%).

€ 5.0 million, or approximately 5%, of the order entry volume in the reporting period is attributable to the **EXA business segment** (previous year: € 7.2 million, or approximately 9%).

The order entry volume associated with upcoming **SAP S/4HANA projects** performed well: at € 55.1 million in the first half of 2023, order entry is significantly higher than the previous-year level of € 28.1 million; S/4HANA projects therefore represent approximately 50% of the overall order entry volume of the SNP Group (previous year: approximately 34%).

At € 55.9 million, the CEU region continues to account for the largest share of the order entry volume; this represents an increase of approximately 11% compared to the first half of 2022 (previous year: € 50.5 million). The CEU region's share of global order entry volume thus amounts to 51% (previous year: 61%).

The LATAM (€ 21.0 million compared with € 13.3 million in the previous year, +58%), USA (€ 14.6 million compared with € 8.1 million in the previous year, +80%) and UKI (€ 10.8 million compared with € 3.2 million in the previous year, 238%) regions recorded significant increases, while the order entry volume in the JAPAC region was lower than in the previous year (€ 7.1 million compared with € 7.5 million in the previous year, -5%).

An order entry volume of €40.7 million was realized via **partners** in the first half of 2023 (previous year: € 27.9 million); this constitutes an increase of around 46% year-over-year.

The **order backlog** amounted to € 140.3 million as of June 30, 2023, compared to € 130.1 million as of December 31, 2022 (+8%).

Earnings Position

Revenue Performance

The SNP Group increased its Group revenue by around 15% in the first half of 2023 to € 95.6 million (previous year: € 83.3 million). The second quarter also contributed to the positive overall development of Group revenue, with an increase of € 6.2around 15% to € 48.5 million, or approximately 15%, to the overall performance. (previous year: € 42.3 million).

The increase in revenue is decisively attributable to the positive development of **software revenue** (incl. theincluding software revenue of the EXA AG) made a decisive contribution to the increase in revenue;Group); in the course of the sale of larger program licenses, revenuesoftware sales increased disproportionately by € 6.4 million, or around 27%, to € 30.2 million (previous year: € 23.8 million). This underscores the continued successful implementation of SNP's software and partner strategy for its end customer and partner business.

Service revenues (incl. the service revenues of EXA AG) of € 65.4 million are € 5.9 million, or around 10%, higher than in the previous year (previous year: € 59.5 million).

Revenue Distribution by Business Segment

OVERALL REVENUE BY BUSINESS SEGMENT

in € million	2023	2022	Δ
H1	**95.6**	**83.3**	**+15%**
Services	61.6	54.9	+12%
Software	29.6	23.5	+26%
EXA	4.4	5.0	-12%
Q2	**48.5**	**42.3**	**+15%**
Services	32.3	28.4	+14%
Software	14.2	11.4	+25%
EXA	2.0	2.6	-23%

In the first six months of the year, the **Services business segment provided** € 61.6 million (H1 2022: € 54.9 million) of Group revenue. Segment revenue thus increased by € 6.7 million, or around 12% by comparison%, compared with the first half of 2022 thanks, due to an improved order situation and higher customer prices. Measured in terms of the overall revenue volume of € 95.6 million, the revenue achieved in the Services business segment corresponds to a share of approximately 64% (H1 2022: 66%). Segment revenue in the second quarter increased by € 4.0 million, or 14%, to € 32.3 million.

REVENUE IN THE SOFTWARE BUSINESS SEGMENT

in € million	2023	2022	Δ
H1	**29.6**	**23.5**	**+26%**
Software licenses	20.3	14.3	+42%
Software support	7.1	7.1	-0%
Cloud/SaaS	2.2	2.1	+3%
Q2	**14.2**	**11.4**	**+25%**
Software licenses	9.4	6.7	+39%
Software support	3.7	3.6	+3%
Cloud/SaaS	1.1	1.0	+7%

As already achieved in the first quarter, software revenue increased disproportionately in the second quarter; this is primarily due to the increased sales of program licenses mainly for the implementation of numerous SAP S/4HANA projects. Revenue in the **Software business**

segment (incl.including maintenance and cloud) therefore rosethus increased by € 6.1 million, or around 26%, compared to the same six-month period in a half-the previous year comparison to € 29.6 million (H1 2022: € 23.5 million). Measured in terms of the overall revenue volume of € 95.6 million, the revenue achieved in the Software business segment in the reporting period corresponds to a share of 31% (previous year: 28%).

Within the Software business segment, revenue from software licenses of € 20.3 million increased significantly by € 6.0 million, or around 42%, over the previous year (previous year: € 14.3 million).

Recurring software support revenue was unchanged from the previous year at € 7.1 million (previous year: € 7.1 million). Maintenance revenue has been shaped by countervailing effects: while support revenue for SNP's own software increased by € 0.4 million compared to the same six-month period in the previous year, support revenue for third-party software fell by € 0.5 million.

Cloud revenue (including software as a service) increased slightly by € 0.1 million to € 2.2 million (H1 2022: € 2.1 million).

The **EXA business segment** accounted for external sales of € 4.4 million in the first half of 2023 (previous year: € 5.0 million). In the reporting period, EXA achieved higher internal revenues with the other SNP business segments; including these internal revenues, revenue increased by around +1% to € 5.0 million.

Revenue Distribution by Region

The increase in Group revenue in the first half of 2023 is attributable to a positive revenue trend in largely all of its regions. The USA and UKI regions accounted for the highest increases in percentage terms, which is attributable in particular to major S/4HANA projects with well-known companies. The following tables show the distribution and development of external revenue by region:

REVENUE BY REGION

in € million	H1 2023	H1 2022	Δ
CEU	55.8	49.8	+12%
LATAM	12.6	12.2	+3%
USA	13.7	10.6	+29%
JAPAC	6.8	7.1	-4%
UKI	6.8	3.7	+84%

in € million	Q2 2023	Q2 2022	Δ
CEU	28.6	26,0	+10%
LATAM	6.8	6,9	-2%
USA	6.3	5,6	+13%
JAPAC	3.1	2,1	+45%
UKI	3.8	1,7	+120%

Operating performance

	H1 2023	H1 2022	Δ
EBITDA (in € million)	8.6	7.2	+20%
EBITDA margin	9.0%	8.6%	+0.4PP
EBIT (in € million)	3.5	1.8	+89%
EBIT margin	3.6%	2.2%	+1.4PP

	Q2 2023	Q2 2022	Δ
EBITDA (in € million)	3.6	3.4	+4%
EBITDA margin	7.4%	8.1%	-0.7PP
EBIT (in € million)	1.0	0.7	+44%
EBIT margin	2.1%	1.7%	+0.4PP

In the first half of 2023, SNP achieved **earnings before interest, taxes, depreciation and amortization (EBITDA)** of € 8.6 million (previous year: € 7.2 million); this corresponds to an increase of € 1.4 million, or around 20%, year-over-year. The EBITDA margin accordingly amounts to 9.0% (previous year: 8.6%). **Earnings before interest and taxes (EBIT)** of € 3.5 million were significantly higher than the previous year's figure of € 1.8 million (€ +1.7 million or +89%). The EBIT margin is thus 3.6% (previous year: 2.2%).

The increase in operating earnings is mainly attributable to revenue growth. The negative currency result of € -1.4 million (previous year: positive currency result: € 2.6 million), especially as a result of the weak USD in the first half-year, prevented an even more significant improvement in earnings.

Costs of purchased services and the cost of materials rose at a disproportionately lower rate year-over-year relative to revenue growth by € 0.9 million, or 8.5%, year-over-year to € 11.7 million (previous year: € 10.8 million).

Personnel expenses increased by € 6.2 million, or 11.3%, to € 60.6 million (previous year: € 54.4 million). In addition to a higher number of employees (year-over-year increase of +38 to 1,361), the increase was mainly due to salary increases in spring 2022 and 2023, and to a special inflation adjustment payment was granted to employees in Germany in January 2023.

Depreciation and amortization declined slightly by € 0.2 million to € 5.1 million (previous year: € 5.3 million).

Other operating expenses rose by € 3.2 million to € 20.1 million in the reporting period (previous year: € 16.9 million). This is mainly due to exchange rate losses, particularly as a result of the weak US dollar (€ 5.6 million compared with € 2.3 million in the previous year) and higher travel expenses (€ 1.2 million compared with € 0.6 million). This was offset by factors including lower advertising and hospitality expenses (€ 0.2 million decline to € 2.6 million) as well as lower external recruiting costs (€ 0.3 million decline to € 0.2 million).

Other operating income declined compared to the previous year by € 0.3 million to € 5.8 million. This development is predominantly attributable to lower income earned on exchange rates.

EBIT IN THE SERVICES BUSINESS SEGMENT

	H1 2023	H1 2022
EBIT (in € million)	-0.5	1.0
EBIT margin	-0.7%	1.9%

	Q2 2023	Q2 2022
EBIT (in € million)	-0.3	1.0
EBIT margin	-0.8%	3.4%

EBIT IM SEGMENT SOFTWARE

	H1 2023	H1 2022
EBIT (in € million)	11.4	6.7
EBIT margin	38.6%	28.5%

	Q2 2023	Q2 2022
EBIT (in € million)	5.3	2.9
EBIT margin	37.5%	25.7%

EBIT IM SEGMENT EXA

	H1 2023	H1 2022
EBIT (in € million)	0.3	0.7
EBIT margin	6.7%	13.4%

	Q2 2023	Q2 2022
EBIT (in € million)	0.0	0.5
EBIT margin	0.0%	17.6%

The net financial result amounted to € -1.2 million (previous year: € -1.7 million). This includes interest and similar expenses of € 1.5 million (previous year: € 2.4 million). The higher figure from the previous year is mainly attributable to the distribution made to minority shareholders of EXA AG, Heidelberg, in the amount of € 1.4 million in the first quarter of 2022. From a Group perspective, 100% of the shares were attributable to SNP SE as of March 1, 2021, due to existing put/call options. The distribution made to minority shareholders was therefore reportable as interest expense on the consolidated income statement. This is offset by other interest and similar income in the amount of € 0.2 million (previous year: € 0.7 million). In the previous year, higher interest income compounded on a long-term receivable in connection with the sale of the minority interests in All for One Poland, Sp. z.o.o., Suchy Las, Poland, as well as interest income in connection with an early purchase of minority interests in EXA AG, was registered.

After income taxes of € 0.7 million (previous year: € 0.1 million), the profit for the period amounted to € 1.6 million (previous year: € 0.1 million). The net margin (the ratio of the result for the period to overall revenue) is 1.7% (previous year: 0.2%).

NET FINANCIAL RESULT AND RESULT FOR THE PERIOD

in € million	H1 2023	H1 2022
Net financial income	-1.2	-1.7
Earnings before taxes (EBT)	2.3	0.2
Income taxes	-0.7	-0.1
Result for the period	1.6	0.1
Earnings per share (diluted and basic)	0.23	0.02

in € million	Q2 2023	Q2 2022
Net financial income	-0.6	0.2
Earnings before taxes (EBT)	0.5	0.9
Income taxes	-0.1	-0.2
Result for the period	0.3	0.7
Earnings per share (diluted and basic)	0.04	0.10

Financial and Net Asset Position

Compared with December 31, 2022, **total assets** have decreased by € 11.8 million compared with December 31, 2022, to € 253.2 million.

On the **assets side** of the balance sheet, **current assets** declined by € 7.0 million to € 123.1 million as of June 30, 2023. Within the current assets item, contract assets increased due to higher POC (Percentage of Completion) receivables (€ +5.5 million to € 15.1 million). Trade and other receivables (€ +5.6 million to € 70.3 million) were also higher as a result of the high order volume. In addition, receivables in the amount of € 5.9 million were sold as of December 31, 2022. No such sale of receivables was carried out again in trade and other receivables as of June 30, 2023.the reporting period. Other non-financialnonfinancial assets have increased by € 1.4 million to € 4.9 million (December 31, 2022: € 3.5 million) due to the typically higher volume of prepaid expenses (€ +1.4 million to € 4.9 million) in the first half of the year.

On the other hand, **cash and cash equivalents** had decreased as of June 30, 2023, by € 13.5 million, to € 24.9 million (December 31, 2022: € 38.4 million), due to the repayment of loans, the payment of bonuses in April 2023 and the increase in working capital.

Noncurrent assets declined by € 4.9 million to € 129.9 million (December 31, 2022: € 134.8 million), which is mainly attributable to the decrease in noncurrent trade receivables (€ -2.3 million; reclassification to current trade receivables) and intangible assets (€ -1.8 million; PPA depreciation/amortization, which is not offset by additions).

On the **liabilities side of the balance sheet, current liabilities** had decreased by € 4.3 million to € 60.3 million as of June 30, 2023 (December 31, 2022: € 64.6 million). Trade payables and contract liabilities declined by € 1.0 million to € 20.6 million (December 31, 2022: € 21.6 million). At the end of last year, the last payment runs were made earlier due to the Christmas holidays, resulting in higher liabilities on the part of SNP as of year-end 2022. In addition, other non-financial liabilities declined by € 6.5 million to € 22.1 million. This was especially due to the disbursement of bonus payments for the previous year. On the other hand, financial liabilities increased by € 4.0 million to € 16.3 million (December 31, 2022: € 12.2 million). Repayment of bank loans in the amount of € 4.5 million was offset by reclassification of promissory note loans of € 9.0 million from noncurrent to current financial liabilities.

Noncurrent assets decreased by € 10.6 million to € 82.6 million (December 31, 2022: € 93.2 million). The change is mainly a result of lower noncurrent liabilities owed to financial institutions following the reclassification from noncurrent to current financial liabilities.

At € 110.1 million, **Group equity** is € 2.9 million higher than at its level of € 107.2 million as of December 31, 2022. The improvement is mainly a result of an increase in retained earnings due to the result for the period achieved. Due to the increase in equity and the decrease in total assets as of June 30, 2023, the equity ratio improved from 40.5% to 43.5%.

Development of Cash Flow and the Liquidity Position

Negative operating cash flow of € -9.0 million (previous year: € -12.6 million) in the first six months of the year mainly reflects the increase in working capital due to a higher volume of trade receivables and other assets (€ +11.0 million; due to reasons that included the sale of receivables of € 5.9 million at the end of the previous year, which were then missing as a cash receipt from receivables in the first half-year of 2023) as well as outflows of funds due to the decrease in trade payables and other liabilities (€ -5.8 million; above all, on account of the settlement of bonus payments).

The positive cash flow from investing activities in the amount of € 4.2 million (previous year: outflow of funds of € -6.0 million) is mainly due to proceeds resulting from the sale of shares in All for One Poland.

Financing activities result in a negative cash flow in the amount of € 8.2 million (previous year: positive cash flow in the amount of € 2.7 million). Besides the repayment of lease liabilities, the negative cash flow was due in particular to the repayment of loan liabilities in the amount of € 5.8 million.

The effects of changes in foreign exchange rates on cash and bank balances have resulted in a negative impact of € -0.5 million (previous year: € 0.2 million).

Overall cash flow during the reporting period comes to € -13.5 million (previous year: € -15.7 million).

Taking into account the changes presented here, the level of cash and cash equivalents declined to € 24.9 million as of June 30, 2023. As of December 31, 2022, cash and cash equivalents amounted to € 38.4 million. Overall, the SNP Group remains solidly positioned financially.

RISKS AND OPPORTUNITIES REPORT

The management system for identifying risks and opportunities and the measures taken to limit risks are described in detail in the combined management report as of December 31, 2022. In our business activities, we are exposed to a number of risks and opportunities that are inseparably linked to our entrepreneurial activity. These have been addressed in detail in the combined management report as of December 31, 2022. The risks and opportunities of the SNP Group presented therein remained largely unchanged at the end of the first half of 2023.

ASSESSMENT OF THE RISK SITUATION

At present, we do not see any risks that could endanger the survival of SNP Schneider-Neureither & Partner SE, the Group or individual segments.

Employees

As of June 30, 2023, the number of employees of the SNP Group increased slightly to 1,361; as of December 31, 2022, the Group had 1,311 employees. In the first half of 2023, the average number of employees was 1,342 (previous year: 1,321).

FORECAST

As announced with the presentation of the Annual Report 2022, management is providing a quantitative update of the forecast for the 2023 fiscal year. On the basis of a strong first half of 2023, the continuation of the positive market environment and the strong competitive position of the SNP Group allow management to be optimistic about the full year, leading to higher growth expectations than assumed at the beginning of the year.

Assuming continued strong development in the SAP S/4HANA environment and a continuation of the international expansion, management expects order entry for the SNP Group to range between € 210 million and € 230 million in the full year 2023 (2022: € 193.6 million). Revenue will be in a range between € 190 million and € 200 million (2022: €173.4 million). The operating result (EBIT) is expected to be between € 5 million and € 10 million, taking into account negative currency effects, transformation costs and non-recurring extraordinary charges in connection with the public takeover offer. By contrast, the previous year's EBIT of €6.8 million was strongly influenced by positive special items, including positive currency effects and deconsolidation income from the sale of the Polish subsidiary.

With a view to the 2024 fiscal year, assuming a continuation of the strong sector development, revenue growth of around 10% to € 210 million to € 220 million is targeted, with simultaneous improvement in the EBIT margin of one to two percentage points. The book-to-bill ratio (order entry over sales revenue) is expected to be greater than one.

Heidelberg, Germany, August 3, 2023

The Managing Directors

Dr. Jens Amail

Gregor Stöckler

Andreas Röderer

CONSOLIDATED BALANCE SHEET

to Juni 30, 2023

ASSETS

in € thousand	June 30, 2023	Dec. 31, 2022	June 30, 2022
Current assets			
Cash and cash equivalents	24,852	38,367	24,629
Other financial assets	4,922	11,505	125
Trade receivables and other receivables	70,298	64,730	36,751
Contract asset values	15,144	9,642	38,414
Other non-financial assets	4,902	3,543	6,175
Tax receivables	2,993	2,368	295
	123,111	**130,155**	**106,389**
Non-current assets			
Goodwill	73,263	72,597	72,928
Other intangible assets	17,342	19,123	21,076
Property, plant and equipment	4,635	5,188	5,120
Rights of use	14,220	15,023	15,967
Other financial assets	1,107	1,112	20.726
Investments accounted for under the equity method	225	225	225
Trade receivables and other receivables	13,199	15,525	2,284
Contract values	0	0	9,123
Other non-financial assets	310	251	179
Deferred taxes	5,595	5,771	6,334
	129,896	**134,815**	**153,962**
	253,007	**264,970**	**260,351**

EQUITY AND LIABILITIES

in € thousand	June 30, 2023	Dec. 31, 2022	June 30, 2022
Current liabilities			
Trade payables and other liabilities	8,498	10,759	6,969
Contract liabilities	12,112	10,856	12,007
Tax liabilities	1,063	1,372	1,110
Financial liabilities	16,255	12,247	14,482
Other non-financial liabilities	22,097	28,598	23,092
Provisions	314	804	1,117
	60,339	**64,636**	**58,777**
Non-current liabilities			
Contract liabilities	712	174	499
Financial liabilities	73,720	84,800	88,199
Other nonfinancial liabilities	349	347	86
Provisions for pensions	1,588	1,563	3,241
Other provisions	780	382	121
Deferred taxes	5,427	5,885	5,458
	82,576	**93,151**	**97,604**
Equity			
Subscribed capital	7,386	7,386	7,386
Capital reserve	96,980	97,124	96,886
Retained earnings	9,022	7,320	5,884
Other components of the equity	2,149	915	-782
Treasury shares	-4,456	-4,669	-4,669
Equity attributable to shareholders	**111,081**	**108,076**	**104,705**
Non-controlling interests	-989	-893	-735
	110,092	**107,183**	**103,970**
	253,007	**264,970**	**260,351**

CONSOLIDATED INCOME STATEMENT

for the period from January 1 to June 30, 2023

in € thousand	1st half year 2023	1st half year 2022	2nd quarter 2023	2nd quarter 2022
Revenue	**95,587**	**83,337**	**48,512**	**42,301**
Services	65,396	59,505	34,122	30,767
Software	30,191	23,832	14,390	11,534
Other operating income	5,775	6,103	3,337	4,265
Cost of material	-11,706	-10,789	-5,848	-5,322
Personnel costs	-60,593	-54,441	-30,622	-27,327
Other operating expenses	-20,128	-16,907	-11,640	-10,511
Impairments on receivables and contract assets	-5	176	-4	178
Other taxes	-308	-292	-169	-170
EBITDA	**8,622**	**7,187**	**3,566**	**3,414**
Depreciation and impairments on intangible assets and property, plant and equipment	-5,135	-5,345	-2,535	-2,698
EBIT	**3,487**	**1,842**	**1,031**	**716**
Other financial income	240	739	228	721
Other financial expenses	-1,462	-2,400	-796	-499
Net financial income	**-1,222**	**-1,661**	**-568**	**222**
EBT	**2,265**	**181**	**463**	**938**
Income taxes	-679	-54	-139	-243
Consolidated income/net loss	**1,586**	**127**	**324**	**695**
Thereof:				
Profit attributable to non-controlling shareholders	-114	-43	-22	-46
Profit attributable to shareholders of SNP Schneider-Neureither & Partner SE	1,700	170	346	741
Earnings per share	**€**	**€**	**€**	**€**
- Undiluted	0.23	0.02	0.04	0.10
- Diluted	0.23	0.02	0.04	0.10
Weighted average number of shares	**in thousand**	**in thousand**	**in thousand**	**in thousand**
- Undiluted	7,278	7,274	7,278	7,274
- Diluted	7,278	7,274	7,278	7,274

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from January 1 to June 30, 2023

in € thousand	1st half year 2023	1st half year 2022	2nd quarter 2023	2nd quarter 2022
Net income for the period	**1,586**	**127**	**324**	**695**
Items that may be reclassified to profit or loss in the future				
Currency translation differences	1,250	1,332	1,177	525
Deferred taxes on currency translation differences	0	0	0	0
	1,250	**1,332**	**1,177**	**525**
Items that will not be reclassified to profit or loss				
Change from the revaluation of defined benefit pension plans	5	-4	15	-3
Deferred taxes on revaluation of defined benefit pension plans	-1	0	-3	0
	4	**-4**	**12**	**-3**
Income and expenses directly recognized in equity	**1,254**	**1,328**	**1,189**	**522**
Total comprehensive income	**2,840**	**1,455**	**1,513**	**1,217**
Profit attributable to non-controlling shareholders	-94	-86	-13	-75
Profit attributable to shareholders of SNP Schneider-Neureither & Partner SE in total comprehensive income	**2,934**	**1,541**	**1,526**	**1,292**

CONSOLIDATED CASH FLOW STATEMENT

for the period from January 1 to June 30, 2023

in € thousand	1st half year 2023	1st half year 2022
Profit after tax	**1,586**	**127**
Depreciation	5,135	5,345
Change in provisions for pensions	25	90
Other non-cash income/expenses	1,064	-4,155
Changes in trade receivables, contract assets, other current assets, other non-current assets	-10,985	-9,015
Changes in trade payables, contract liabilities, other provisions, tax liabilities, other current liabilities	-5,817	-4,987
Other adjustments to profit or loss for the period attributable to investing activities	42	0
Cash flow from operating activities (1)	**-8,950**	**-12,595**
Payments for investments in property, plant and equipment	-320	-649
Payments for investments in intangible assets	-154	-53
Proceeds from the disposal of items of intangible assets and property, plant and equipment	112	140
Proceeds resulting from the acquisition of consolidated companies and other business units	5,000	763
Payments resulting from the acquisition of consolidated companies and other business units	-478	-6,205
Cash flow from investing activities (2)	**4,160**	**-6,004**
Payments for the purchase of treasury shares	0	32,500
Proceeds from loans taken out	-5,772	-27,522
Payments resulting from the settlement of lease liabilities	-2,463	-2,277
Cash flow from financing activities (3)	**-8,235**	**2,701**
Changes in cash and cash equivalents due to foreign exchange rates (4)	-490	190
Cash change in cash and cash equivalents (1) + (2) + (3) + (4)	**-13,515**	**-15,708**
Cash and cash equivalents at the beginning of the fiscal year	38,367	40,337
Cash and cash equivalents as of June 30	**24,852**	**24,629**
Composition of cash and cash equivalents:		
Cash and cash equivalents	24,852	24,629
Cash and cash equivalents as of June 30	**24,852**	**24,629**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from January 1, 2022 to June 30, 2023

				Other components of equity						
in € thousand	Subscribed Capital	Capital reserve	Retained earnings	Currency conversion	Revaluation of performance-oriented obligations	Other components of equity Total	Treasury shares	Shareholders of SNP SE attributable capital	Non-controlling shares	Total equity
As of January 1, 2022	**7,386**	**96,818**	**5,714**	**-1,738**	**-415**	**-2,153**	**-4,892**	**102,873**	**-649**	**102,224**
Stock option plan		68					223	291		291
Total comprehensive income			170	1,375	-4	1,371		1,541	-86	1,455
As of June 30, 2022	**7,386**	**96,886**	**5,884**	**-363**	**-419**	**-782**	**-4,669**	**104,705**	**-735**	**103,970**
Stock option plan		238						238		238
Transactions with non-controlling shareholders			-11					-11	27	16
Total comprehensive income			1,447	498	1,199	1,697		3,144	-185	2,959
As of December 31, 2022	**7,386**	**97,124**	**7,320**	**135**	**780**	**915**	**-4,669**	**108,076**	**-893**	**107,183**
Stock option plan		-144					213	69		69
Transactions with non-controlling shareholders			2					2	-2	0
Total comprehensive income			1,700	1,230	4	1,234		2,934	-94	2,840
As of June 30, 2023	**7,386**	**96,980**	**9,022**	**1,365**	**784**	**2,149**	**-4,456**	**111,081**	**-989**	**110,092**

Notes to the Consolidated Interim Financial Statements for the Period from January 1 to June 30, 2023

Company Information

SNP Schneider-Neureither & Partner SE (hereafter referred to as SNP) is a listed corporation based at Speyerer Strasse 4, Heidelberg, Germany. On August 3, 2023, these consolidated interim financial statements for the period from January 1 to June 30, 2023, were released for publication by resolution of the Managing Directors.

The company is entered into the commercial register of the Mannheim District Court under HRB 729172.

Basis for Reporting

Like the consolidated financial statements of December 31, 2022, this interim financial reporting was prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). These condensed consolidated interim financial statements were prepared in accordance with IAS 34 “Interim Financial Reporting.” Accordingly, this interim report does not contain all information and disclosures in the notes that are required in accordance with IFRS for consolidated financial statements as of the end of a fiscal year. The accounting and measurement principles applied in these interim financial statements essentially conform to those in the consolidated financial statements as of the end of the 2022 fiscal year. A detailed description of accounting principles is published in the notes to the consolidated financial statements in the 2022 Annual Report, which can be viewed at www.snpgroup.com under the heading About/Investor Relations/Publications.

There are no seasonal factors.

Scope of Consolidation

Aside from SNP Schneider-Neureither & Partner SE, as the parent company, the scope of consolidation includes the following subsidiaries in which SNP holds the majority of the voting rights directly or indirectly.

Company name	Company headquarters	Share ownership in %
SNP Deutschland GmbH	Heidelberg, Germany	100
SNP Applications DACH GmbH	Heidelberg, Germany	100
SNP GmbH	Heidelberg, Germany	100
Innoplexia GmbH	Heidelberg, Germany	100
ERST European Retail Systems Technology GmbH	Heidelberg, Germany	100
Hartung Consult GmbH	Berlin, Germany	100
SNP Austria GmbH	Pasching, Austria	100
SNP (Schweiz) AG	Glattpark (Opfikon), Switzerland	100

Company name	Company headquarters	Share ownership in %
SNP Resources AG	Glattpark (Opfikon), Switzerland	100
Harlex Consulting Ltd.	London, U.K.	100
SNP Digital Hub Eastern Europe sp. z o.o.	Suchy Las, Poland	100
SNP Labs Sp. z o.o.	Suchy Las, Poland	100
SNP Transformations, Inc.	Jersey City, New Jersey, USA	100
ADP Consultores S.R.L.	Buenos Aires, Argentina	100
ADP Consultores Limitada	Santiago de Chile, Chile	100
ADP Consultores S.A.S.	Bogotá, Colombia	100
SNP LATAM-MÉXICO S. de R.L. DE C.V.	Mexico City, Mexico	100
Shanghai SNP Data Technology Co., Ltd.	Shanghai, China	100
Qingdao SNP Data Technology Co., Ltd.	Qingdao, China	100
SNP Transformations SEA Pte. Ltd.	Singapore, Singapore	81
SNP Transformations Malaysia Sdn. Bhd.	Kuala Lumpur, Malaysia	81
SNP Australia Pty Ltd.	Sydney, Australia	100
SNP Japan Co.,Ltd.	Tokyo, Japan	100
SNP Schneider-Neureither & Partner ZA (Pty) Limited	Johannesburg, South Africa	100
EXA AG	Heidelberg, Germany	84.9
EXA AG India Pvt. Ltd	Bangalore, India	84.9
EXA AG America LLC	Reston, Virginia, USA	84.9
Datavard Software GmbH	Heidelberg, Germany	100
SNP Slovakia, s. r. o.	Bratislava, Slovakia	100
SNP Software, s. r. o.	Bratislava, Slovakia	100
Datavard Pte. Ltd.	Singapore, Singapore	100

Use of Estimates

The preparation of the condensed consolidated interim financial statements and the interim Group management report requires estimates and assumptions by the Managing Directors that affect the amounts of assets, liabilities, income and expenses in the consolidated interim financial statements and the disclosures in the notes to the consolidated interim financial statements and the interim Group management report. Actual results may deviate from these estimates.

The estimates provided in the notes to the consolidated financial statements in the 2022 Annual Report also apply to these interim financial statements.

ACCOUNTING AND MEASUREMENT METHODS

Application of New Accounting Rules

No standards or interpretations (of relevance to the Group) that have a material impact on the Group's financial position and financial performance have entered into force or been applied in the first half of 2023.

Goodwill

Goodwill is attributable to the cash-generating units as follows:

in € thousand	06/30/2023	12/31/2022
Service	59,072	58,394
Software	3,722	3,734
EXA	10,469	10,469
Total	**73,263**	**72,597**

In the first half of 2023, there were positive currency translation effects with regard to goodwill of € 667 thousand (previous year: € 2,552 thousand) in accordance with IAS 21. This includes a positive effect in the amount of € 959 thousand from the application of IAS 29 (previous year: € 2,539 thousand).

With regard to goodwill, on the basis of a qualitative and quantitative analysis, we have reviewed whether any triggering events occurred which would have resulted in impairment testing in the first half of 2023. We see no triggering events at present, even against the backdrop of positive business development in all segments. We therefore did not perform impairment testing in the first half of 2023.

ACQUISITIONS / BUSINESS COMBINATIONS

Increased Shareholding in the EXA Group in the Previous Year

In March 2022, NIANK GmbH, Hirschberg, Germany, exercised the put option (early exit option) provided for in its shareholder agreement. 10% of the shares in EXA AG were subsequently transferred to SNP. The purchase price of the shares was € 5,317 thousand; half of this amount was settled in May 2022 and the other half in July 2022, reducing the purchase price liability accordingly. SNP thus now holds 84.9% of the shares in EXA AG.

Share-Based Payment Transactions

In June 2023, the second tranche of the long-term incentive program (LTI) was transferred to the Managing Directors. Overall, 4,895 shares (previous year: 5,147 shares) were transferred from the company's treasury shares. This transfer reduced the capital reserves by € 212 thousand (previous year: € 223 thousand), which corresponds to the average share price of the distributed treasury shares as of the issuance date.

The long-term incentive program for the newly appointed Managing Directors (Performance Share Plan) was restructured as of the 2023 fiscal year. The Performance Share Plan grants the participants multi-year variable remuneration in the form of virtual shares in annually rolling tranches. The start date of the plan and the date on which the virtual shares are allocated, depending on the target amount for the annual tranches, is January 1 of the respective fiscal year (grant year). Every tranche of the Performance Share Plan has a term of four full fiscal years (measurement period). The plan participant will be allocated a provisional number of shares on January 1 of a grant year. To this end, the target amount (calculated from the euro amount set individually in the employment contract) is divided by the average share price of one SNP SE share at the time of allocating the virtual shares. The share price at the time of allocation is calculated as the arithmetic mean of the closing prices of the SNP SE share on the last 60 trading days before the first day of the grant year. The amount to be paid out after the end of the four-year measurement period is subject to the firmly defined performance targets being achieved, as well as the SNP SE share price performance. Key performance targets are the relative total shareholder return (relative TSR) compared with the relevant peer group companies, EBIT margin, and one or more environmental, social, and governance (ESG) targets. The final total number of virtual shares at the end of the measurement period is derived from the provisional number of virtual shares allocated, the target achievements determined for the performance targets and their set weightings. The amount to be paid out is calculated from the final number of virtual shares multiplied by the arithmetic mean of the closing prices of the SNP SE share on the last 60 trading days before the end of the measurement period.

In the first half of 2023, the Group recognized personnel expenses of € 261 thousand (previous year: € 225) for the long-term incentive program. In addition, personnel expenses in the amount of € 82 thousand (previous year: € 66 thousand) were recognized in the first half of 2023 for SNP’s 2020 Stock Option Plan and personal income of € 14 thousand (previous year: € 0) for a subsidiary's stock option plan, in connection with share-based remuneration transactions with settlement in equity instruments.

Segment Reporting

for the Period from January 1 to June 30, 2023

Segment reporting was prepared in accordance with IFRS 8. Based on the Group's internal reporting and organizational structure, the presentation of individual information from the consolidated financial statements is subdivided according to segment.

in € thousand	Service	Software	EXA	Total
External revenue				
Jan. – June 2023	61,611	29,585	4,391	95,587
Jan. – June 2022	54,866	23,504	4,967	83,337
Revenue provided by other business segments				
Jan. – June 2023	0	0	609	609
Jan. – June 2022	0	0	0	0
Segment earnings (EBIT)				
Jan. – June 2023	-453	11,423	292	11,262
Margin	-0.7%	38.6%	6.6%	11.8%
Jan. – June 2022	1,023	6,687	664	8,374
Margin	1.9%	28.5%	13.4%	10.0%
Depreciation, amortization and write-downs included in the segment earnings				
Jan. – June 2023	2,302	1,093	121	3,516
Jan. – June 2022	2,399	1,022	113	3,534

Reconciliation

in € thousand	Jan. – June 2023	Jan. – June 2022
Result		
Total reportable business segments	11,262	8,374
Expenses not allocated to the segments	-7,775	-6,532
of which depreciation, amortization and write-downs	*-1,619*	*-1,811*
EBIT	**3,487**	**1,842**
Net financial income	-1,222	-1,661
Earnings before taxes (EBT)	**2,265**	**181**

Additional Information on Segment Reporting

The 12.3% increase in service revenue over the previous year reflects an improved level of utilization of consultants. Due to the rise in costs allocable to this business segment, the segment margin deteriorated from 1.9% in the previous year to -0.7% in the first half of 2023. The revenue achieved in the Services business segment is exclusively recognized over time.

Revenue in the Software business segment increased by 26% year-over-year to € 29,585 thousand. This is attributable above all to increased sales of program licenses, especially for implementing numerous SAP S/4HANA projects, among other things. The segment margin increased from 28.5% in the previous year to 38.6%. Out of the total revenue in the Software business segment, € 13,546 thousand (previous year: € 16,034 thousand) was recognized over time and € 16,039 thousand (previous year: € 7,470 thousand) at a point in time.

The EXA business segment accounted for external sales of € 4,391 thousand million in the first half of 2023 (previous year: € 4,967 thousand). EXA achieved higher sales with SNP's other business segments in the first half of 2023. Including these internal sales, revenue increased by around +1% to € 5,000 thousand. The revenue achieved in the EXA business segment is exclusively recognized over time. The segment margin declined from 13.4% to 6.7% compared with the previous year against the backdrop of positive exchange rate effects and income from the reversal of provisions in the previous year.

Fair Value of Financial Instruments

Our financial instruments are primarily classified at amortized cost. The following table shows the carrying amounts and fair values of all financial instruments recognized in the consolidated financial statements:

in € thousand		06/30/2023		12/31/2022	
Financial assets	IFRS 9 category	Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash equivalents	Amortized cost	24,852	24,852	38,367	38,367
Purchase price receivable	Amortized cost	4,859	4,859	9,859	9,859
Trade receivables	Amortized cost	83,497	83,497	80,255	80,255
Other financial assets	Amortized cost	166	166	1,748	1,748
Total		**113,374**	**113,374**	**130,229**	**130,229**

in € thousand **Financial liabilities**	**IFRS 9 category**	**06/30/2023** **Carrying amount**	**06/30/2023** **Fair value**	**12/31/2022** **Carrying amount**	**12/31/2022** **Fair value**
Trade payables	Amortized cost	8,498	8,498	10,759	10,759
Financial liabilities	Amortized cost	66,417	62,206	72,075	68,478
Purchase price obligations	Fair value (profit or loss)	0	0	524	524
Liabilities from put options attributable to non-controlling interests	Amortized cost	7,478	7,478	7,457	7,457
Lease liabilities		15,828	15,828	16,729	16,729
Other financial liabilities	Amortized cost	252	252	262	262
Total		**98,473**	**94,262**	**107,806**	**104,209**

Summary as per IFRS 9 category

in € thousand	**06/30/2023** **Carrying amount**	**12/31/2022** **Carrying amount**
Financial assets measured at amortized cost	113,374	130,229
Financial liabilities measured at amortized cost	82,645	90,553
Financial liabilities measured at fair value through profit or loss	0	524

Cash and cash equivalents, trade receivables measured at amortized cost, trade payables and other financial assets and liabilities have predominantly short remaining terms. For these short-term financial instruments, the carrying amount is a reasonable approximation of fair value. The step used to determine the fair value is not disclosed separately for these financial instruments.

The fair value of financial liabilities is measured on the basis of the yield curve while taking credit spreads into consideration. They have therefore been assigned to level 2 in the valuation hierarchy.

The fair value of liabilities from put options attributable to non-controlling interests is determined in accordance with generally accepted valuation methods based on discounted cash flow analyses. The main inputs are, in addition to the factor-specific discount rates, the expectations for the relevant earnings figures determined in purchase agreements. They have therefore been assigned to level 3 in the valuation hierarchy.

The changes to the financial instruments measured at fair value level 3 are as follows:

in € thousand	Purchase price receivables
Opening balance as of January 1, 2022	**11,213**
Increase	254
Conversion	-12,350
Income recognized on the income statement	883
Closing balance as of December 31, 2022/ opening balance as of January 1, 2023	**0**
Income recognized on the income statement	0
Closing balance as of June 30, 2023	**0**

Of the income recognized in the income statement in the 2022 fiscal year, € 92 thousand is attributable to compound interest effects that have been recognized in interest income and € 791 thousand to the disposal gain recognized under other operating income and resulting from the conversion into purchase price receivables measured at amortized cost within the scope of the sale of the remaining 49% of the shares in All for One Poland Sp. z o.o.

in € thousand	Purchase price obligations
Opening balance as of January 1, 2022	**569**
Payments	-538
Losses recognized on the income statement	493
Closing balance as of December 31, 2022 / opening balance as of January 1, 2023	**524**
Payments	-435
Income recognized on the income statement	-89
Closing balance as of June 30, 2023	**0**

Of the income recognized on the income statement, € 99 thousand (2022 fiscal year: losses of € 464 thousand) relate to the termination (2022 fiscal year: increase) of the contingent purchase price obligation. These result from the final calculation of the earnings figures defined in the purchase agreements and are reported in other operating income (2022 fiscal year: other operating expenses). A further € 10 thousand (2022 fiscal year: € 2 thousand) relates to currency effects recognized in other operating income (2022 fiscal year: other operating expenses). In the 2022 fiscal year, a further € 31 thousand related to the compound interest effects were recognized as interest expense.

The Group determines at the end of each reporting period whether transfers have occurred between hierarchy levels by reviewing the classification (based on the input of the lowest level that is significant to the fair value measurement as a whole).

The general responsibility for monitoring all significant measurements of fair value, including level 3 fair values, belongs to the Finance department, which reports directly to the CFO. Selected external valuers are used, where necessary, to determine the fair value of significant assets and liabilities. The selection criteria include market knowledge, reputation, independence and compliance with professional standards. The finance department decides which valuation techniques and inputs apply in each individual case in discussion with the external valuers.

Additional Information on the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity

Negative operating cash flow of € -8,950 thousand (previous year: € -12,595 thousand) in the first six months of the fiscal year mainly reflects the increase in working capital due to a higher volume of trade receivables and other assets (€ -10,985 thousand; due to reasons that included the sale of receivables of approximately € 5.0 million at the end of the previous year, which were then missing as a cash receipt from receivables in the first half-year of 2023) as well as outflows of funds due to the decrease in trade payables and other liabilities (€ -5,817 thousand; above all on account of the settlement of bonus liabilities).

Cash flow from investing activities includes payments for company acquisitions of € 478 thousand (previous year: € 6,205 thousand). These are payments for company acquisitions made in 2020 and payments to shareholders of EXA AG. The proceeds from the sale of consolidated companies and other business units relate to the payment of an additional purchase price installment for the sale of the former SNP Poland Sp. z o.o., Suchy Las, Poland in 2021.

Material actuarial gains/losses are not expected from the actuarial measurement of pensions and other post-employment benefits either at the end of the first six months of 2023 or at the end of 2023. Currency translation effects, which are to be reflected in equity without an effect on profit or loss, amounted to € -1,250 thousand in the first six months of 2023 (previous year: € -1,332 thousand). This change is mainly associated with the foreign-currency measurement of goodwill.

Related Party Disclosures

A sublease agreement has been concluded between SNP Deutschland GmbH as the landlord and Oorcca GmbH as the tenant, an associate of SNP at which the Board of Directors member Dr. Karl Biesinger is a Managing Director and shareholder. As of June 30, 2023, related income was € 3 thousand (previous year: € 3 thousand); as of June 30, 2023, there were no outstanding receivables.

On the basis of employment contracts between SNP and a child of the Board of Directors member Dr. Karl Biesinger, salary payments were made including benefits in kind and fringe benefits. In the period up to June 30, 2023, related expenses were € 122 thousand (previous year: € 81 thousand). As of June 30, 2023, there were no outstanding liabilities or receivables.

The 2023 Annual General Meeting

SNP SE’s Annual General Meeting took place in Wiesloch on May 23, 2023. The Annual General Meeting did not approve all items on the agenda. The voting was postponed on items 4 (Resolution on the discharge of the members of the Board of Directors), 10 (Resolution on the amendment of the articles of incorporation for the virtual Annual General Meeting, on the composition of the Board of Directors and on announcements by the company) and 11 (expansion of the number of members of the Board of Directors election to the Board of Directors) of the agenda. The proposal under agenda item 5 requested by shareholder Wolfgang Marguerre for the revision of the articles of incorporation to change the governance system from a monistic to a dualistic system of management was rejected. The remuneration report under agenda item 9 was not approved either. On the other hand, the shareholders approved, among other things, the proposal of the Board of Directors not to distribute any dividends and the proposal to amend the remuneration system for the Managing Directors.

Treasury Shares

In the period from 2011 to 2013, the company purchased a total of 21,882 shares at a cost of € 414,650.19. In the period from 2019 to 2021, a further 90,820 shares were purchased at a cost of € 4,477,563.91 as part of an additional buyback program.

In June 2023 (previous year: April 2022), the company transferred a total of 4,895 of its treasury shares (previous year: 5,147 shares) to its Managing Directors as part of its LTI program This transfer was made at the average share price of the company's treasury shares (€ 43.41) and offset its capital reserves.

As of June 30, 2023, the company has 102,660 treasury shares overall, with a value of € 4,456,291.18.

On June 30, 2020, the Annual General Meeting authorized the company to acquire for the coming five years treasury shares up to a total of 10% of the outstanding share capital at the time of the resolution.

Acquired treasury shares have been recognized at cost and deducted from subscribed capital.

The security identification number for the shares is 720 370, ISIN: DE0007203705.

Pending Litigation and Claims for Damages

As part of its ordinary business activities, SNP is confronted with lawsuits and court proceedings. As of the reporting date of June 30, 2023, pending legal disputes mainly relate to proceedings with current and former employees.

The employment law proceedings primarily relate to disputes over termination of employment. SNP reviews these cases in great detail and conducts the proceedings in line with the compliance requirements and taking the litigation risk into account. Legal consequences could include legal defense costs and potentially compensation claims.

The company has reviewed claims in connection with a property rented in the USA for which the rent was paid in advance but which lacked commercial usability. The company brought an action for payment in this respect in 2022. The proceedings are still in the early stages. The court has already issued some initial orders. The parties are currently holding talks to discuss the possibility of a termination by means of a settlement.

The company is also a defendant in a legal proceeding from a previous tenancy. The rental property was already vacated by the company at the beginning of 2021. There is a difference of opinion as to the term of the tenancy. The company is defending itself against this action and, if necessary, also in subsequent proceedings. The company has made provisions for expected costs. The proceedings are currently suspended.

Events After the Interim Reporting Period

Richard Roy, Chairman of the Board of Directors, resigned from his position as a member of the Board of Directors with effect from July 31, 2023. The company then proposed former Managing Director and CFO, Prof. Dr. Thorsten Grenz, as a new member of the Board of Directors. He was appointed by order of the court with effect from August 1, 2023.

Other Disclosures

No major changes occurred to contingent liabilities and other financial obligations stated as of December 31, 2022, during the 2023 reporting period.

Heidelberg, Germany, August 3, 2023

The Managing Directors

Dr. Jens Amail

Gregor Stöckler

Andreas Röderer

Responsibility Statement

We certify to the best of our knowledge that in accordance with applicable accounting principles for interim financial reporting, the condensed consolidated interim financial statements give a true and fair view of the financial position and financial performance of the Group in accordance with the principles of standard accounting practices and that the business performance, including the result of operations, and the position of the Group are presented in the interim Group management report in a way that gives a true and fair view, and that significant opportunities and risks for the expected performance of the Group for the remainder of the fiscal year are described

Heidelberg, Germany, August 3, 2023

The Managing Directors

Dr. Jens Amail

Gregor Stöckler

Andreas Röderer

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This half-year financial report is also available in German. The legally binding document is the original German version, which shall prevail in any case of doubt.

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