Half-Year Interim Report 2023

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softing

Consolidated Key Figures

		Q2 2023	Q2 2022	Half-yearly report 2023	Half-yearly report 2022
Incoming orders	(EUR million)	19.4	55.9	44.4	90.7
Orders on hand	(EUR million)			61.5	77.5
Revenue	(EUR million)	29.6	25.0	58.1	45.6
EBITDA (IFRS)	(EUR million)	3.2	4.2	7.2	4.9
EBIT (IFRS)	(EUR million)	1.1	1.9	3.1	0.4
EBIT (operating)	(EUR million)	1.4	1.5	3.9	0.7
Consolidated profit (IFRS)	(EUR million)	0.5	1.3	1.7	0.2
Earnings per share (IFRS)	(EUR)	0.05	0.14	0.19	0.02
Non-current assets	(EUR million)			63.5	66.5
Current assets	(EUR million)			46.5	41.6
Equity	(EUR million)			62.0	62.8
Equity ratio				56.0 %	58.1 %
Cash and cash equivalents	(EUR million)			9.1	7.1
Number of employees (as of June 30)				408	383

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Letter from the CEO

DEAR SHAREHOLDERS, EMPLOYEES, PARTNERS AND FRIENDS OF SOFTING AG,

Our first-quarter momentum continues unabated!

We generated revenue of EUR 58.1 million in the first half of 2023, up from EUR 45.6 million in the same period last year. This represents revenue growth of 27% and, in absolute terms, is a figure we would previously have been pleased to report at the end of the third quarter. Once again, the Industrial segment was the main driver of this extremely gratifying performance.

Our procurement and production teams have done an outstanding job, as they continue to rapidly convert back orders from the previous year into revenue. Investing in the early procurement of electronic components enabled us to clear this backlog faster than expected, and this trend is continuing. At more than EUR 60 million, orders on hand remain high as of June 30, 2023, offering us considerable potential to continue this momentum.

Our customers are delighted with the deliveries from this backlog and the reduced delivery times for new orders. While the almost panic-stricken flood of incoming orders from our customers caused by uncertain delivery times is now normalizing, back orders are not the only thing driving growth. The significant expansion of existing and new business with key customers also gives us cause for optimism.

Despite the sharp rise in personnel and procurement costs, our key performance indicator of operating EBIT surged by EUR 3.2 million to EUR 3.9 million in the first six months of the year (previous year: EUR 0.7 million), with EBIT amounting to EUR 3.1 million compared to EUR 0.4 million in the prior-year period. As a result, earnings per share rose from their previous level of EUR 0.02 to EUR 0.19.

On the other hand, the negative reports from Germany's industrial sector give cause for concern. Instead of helping the economy, the federal government is engaging in red-green political particularism. Technologically sound power plants with zero carbon emissions are being sacrificed to green ideology. Larger planning projects are now effectively unfeasible in Germany. Energy prices are being kept artificially high. The bloodless and politically redundant SPD is seeking salvation by showing solidarity with trade unions and engaging in a historically outdated class war. The country is being held to ransom by a rail union. And then we publicly express surprise that a one-dimensional protest party like AfD is winning votes amid this deplorable state of affairs. Politically speaking, all they have to do is wait to take their place at the table if the government fails.

The internationalization of our business and the encouragement of its strong performance means we are pleased with our achievements and focused on leading the Group's remaining loss-makers along the path to success and tapping into the additional earnings potential they hold. We are maintaining our guidance that revenue will grow to more than EUR 110 million and raising our operating EBIT guidance to EUR 5.5 million. We are also confirming our commitment to using the leeway we have created to significantly increase our dividends.

We hope that you will profit from this development and continue to support us on our journey!

Sincerely yours,

Dr. Wolfgang Trier
(Chief Executive Officer)

Softing Shares

MARKET CAPITALIZATION – TRADING VOLUME

Softing's shares started the year at a price of EUR 5.24 and on the back of positive results announced for the first quarter reached their first interim high of EUR 7.40 on April 19, hovering between EUR 6.50 and EUR 7.15 since that date.

As a result, the market capitalization of Softing AG currently amounts to around EUR 60.6 million (previous year: EUR 61.0 million). The share capital of Softing AG remains unchanged at EUR 9,105,381, divided into the same number of no-par-value shares.

During the reporting period, the average daily trading volume of Softing shares was 1,792 shares (Xetra and floor trading), down from the prior-year figure of 2,995 shares. Softing supports the liquidity of its shares by using two designated sponsors, ICF Bank AG Wertpapierhandelsbank and M.M. Warburg & CO (AG & CO.) KGaA.

GENERAL SHAREHOLDERS' MEETING RESOLVED UNCHANGED DIVIDEND OF EUR 0.10 PER SHARE

On May 4, 2023, the ordinary General Shareholders' Meeting of Softing AG adopted a resolution to distribute a dividend of EUR 0.10 per no-par share, the same amount as in the previous year (previous year: EUR 0.10).

SHAREHOLDER STRUCTURE

As far as the Company is aware, Helm Trust Company Limited, St. Helier, Jersey, UK, remains the single largest investor in Softing's 9,105,381 shares with 2,043,221 shares (22.4%). The next major shareholder is Mr. Alois Widmann, Vaduz, Principality of Liechtenstein, who holds 1,450,000 shares (15.9%), followed by a number of institutional investors and several private anchor investors. The remaining shares are in free float.

ANALYST RECOMMENDATIONS

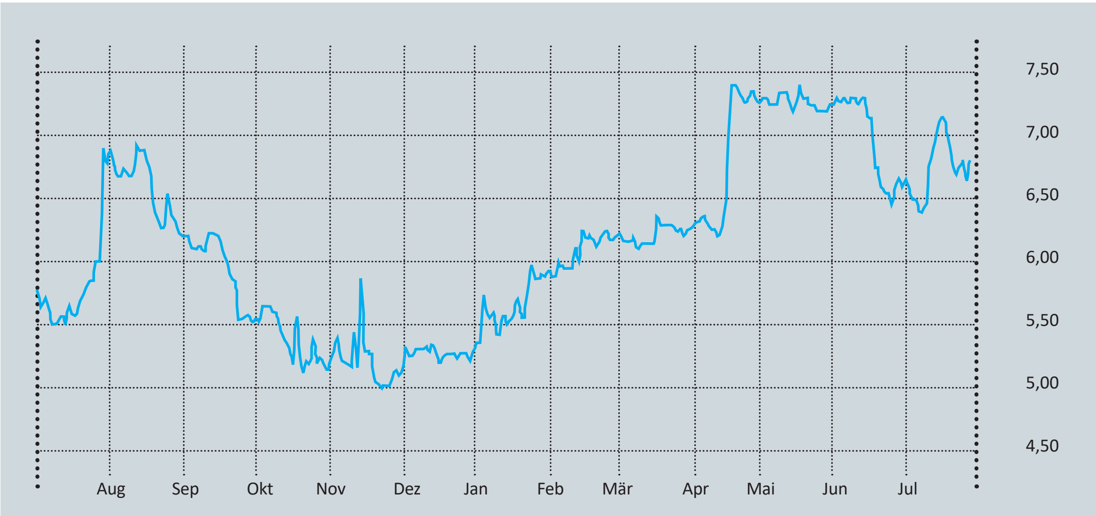
Warburg Research has analyzed the Softing share regularly for years in research reports and published two updates on the share in 2023. The most recent update of May 05, 2023 confirms the buy recommendation, stating a price target of EUR 7.30.

Information about analysts' reports on Softing shares is available at www.softing.com under Investor, News & Publications, Research. The Press & Interviews section contains information about the growth prospects of the Softing Group published in a variety of financial newspapers and magazines such as 4investors, Bernecker-Daily, boersengefluester.de, Börse Online, DER AKTIONÄR, finanzen.net, Nebenwerte Magazin, Plusvisionen and others.

BASIC DATA OF THE SOFTING SHARE

ISIN / WKN	DE0005178008 / 517800
Supersector	Information Technology (IT)
Sector	Software
Subsector	IT Services
Stock exchange symbol	SYT
Bloomberg / Reuters	SYT GR / SYTG
Market segment	Prime Standard, Official Trading, EU-regulated Market
Stock exchanges	XETRA, Frankfurt, Stuttgart, Munich, Hamburg, Düsseldorf, Berlin-Bremen, Tradegate
Initial listing (IPO)	May 16, 2000
Indices	Prime All Share Performance Index
Share class	No-par bearer ordinary share with a notional value of EUR 1.00 per share
Share capital	EUR 9,105,381
Authorized capital 2018	EUR 4,552,690 until May 8, 2023
Contingent capital 2018	EUR 4,552,690 until May 8, 2023
Designated sponsor	ICF Bank AG Wertpapierhandelsbank, M.M. Warburg & CO (AG & CO.) KGaA
Research coverage	Warburg Research

PRICE OF THE SOFTING SHARE FROM 07/01/2022 TO 07/27/2023 (XETRA)



FINANCIAL CALENDAR

August 14, 2023	Half-Year Interim Report 2023
November 14, 2023	Interim management statement Q3/9M 2023
November 15, 2023	Münchner Kapitalmarkt Konferenz
November 27-29, 2023	German Equity Forum in Frankfurt/Main

Interim Group Management Report for the 2023 Half-Yearly Financial Report

REPORT ON NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

Softing performed very well in the first half of 2023. Consolidated revenue rose from EUR 45.6 million by 27.5% to EUR 58.1 million. This development was driven primarily by product deliveries from the Industrial segment's large delivery backlog, as Softing was able to manufacture products and deliver them to customers during the first six months of 2023 thanks to unexpectedly fast deliveries of previously unavailable electronic components. High-margin products in our order book were given priority in this context. Despite good progress made in the first half of 2023, supply bottlenecks for certain electronic components remain an issue. Such components continue to be available from manufacturers only in reduced quantities, later than requested or not at all. Sourcing them through brokers is also difficult and usually much more expensive.

Incoming orders, which were inflated especially last year by customers placing earlier orders, were back at a more normal level of EUR 44.4 million, down from EUR 90.7 million. The aforementioned figures do not take into account a single order on hand of around EUR 4.5 million that will affect the periods after 2023. A range of initiatives started in 2022, such as strengthening our purchasing departments, accepting higher purchase prices, supporting our contract manufacturers and sensibly redesigning some of our products, will enable us to reduce this high level of order on hand of EUR 61.5 million in the second half of 2023. Our greatest challenge here is to ensure the availability of electronic components that are essential for production. Customers are accepting most of the justified price increases we pass on to them. Our current pricing policies also reflect the high level of inflation compared with previous years.

Due to the initiatives mentioned above, orders on hand at the end of the first six months of 2023 were EUR 61.5 million, EUR 16.0 million lower than at the same time last year. Low-margin mass products worth EUR 14.0 million were returned to the short-term order cycle by customers and withdrawn from medium- and long-term orders on hand.

Orders on hand are hardly at any risk from cancellations, as we play a key role as a supplier to major industrial companies who are also having to process their customer projects.

Consolidated revenue totaled EUR 58.1 million in the first half of 2023, representing an increase of 27.4% compared with the same period of the previous year. Other operating income in 2022 included currency gains of EUR 2.8 million, which explains the decrease in other operating income from EUR 3.0 million to a more normal level of EUR 0.3 million. Due to the revenue situation and crisis, inventories grew by 22.5% from EUR 22.1 million in the previous year to EUR 27.0 million in 2023. Driven by inflation and the ensuing wage increases, but also as a result of hiring 25 new members of staff, personnel expenses rose from EUR 18.0 million in 2022 to EUR 19.8 million during the current year. Expanding our workforce enables us to create the personnel prerequisites for continued growth in the years to come.

Revenue in Softing's largest segment, Industrial, rose by around 36.3% from EUR 32.8 million to EUR 44.7 million in the first six months of the year. EBIT rose from EUR 1.2 million to EUR 6.1 million. Operating EBIT improved from EUR 1.6 million to EUR 6.7 million. This increase is mainly due to the fact that the procurement crisis has largely been overcome and order books have returned to more normal levels.

The traditional business in the Automotive segment continues to show trends of improved revenue and earnings figures, despite the sense of crisis prevailing in the automotive industry, with revenue rising by 7.5% from EUR 9.3 million to EUR 10.0 million. Business at the GlobalmatiX subsidiary was sluggish in the first half of the year due to delays with new key customers and was unable to continue the sometimes highly positive trends witnessed in 2022. EBIT in the Automotive segment amounted to EUR 0.0 million after EUR% –1.9 million in the previous year. EBIT was hampered by the sluggish performance of GlobalmatiX's business, which saw costs continuing to exceed revenue. This caused the Automotive segment's operating EBIT to remain negative at EUR –0.5 million despite an improvement from the prior-year figure of EUR –1.2 million.

In the IT Networks segment, the second quarter was still dominated by production issues concerning the two new product lines. Great efforts were made in the first half of the year, which were reflected in a significant improvement toward the end of the quarter. This means that delivery backlogs could not yet be converted into revenue, as a result of which the necessary gross profit is missing from EBIT. Revenue decreased slightly from EUR 3.7 million to EUR 3.4 million in the first six months of 2023. EBIT fell from EUR –0.8 million to EUR –1.6 million, while operating EBIT dropped from EUR –0.9 million to EUR –1.4 million. The situation is expected to improve in the second half of the year, once the production problems have been finally resolved, as one of the two bottleneck products is now fully available.

The Group's EBITDA rose from EUR 4.9 million to EUR 7.2 million in the first half of the year, with the EBITDA margin increasing from 10.7% in 2022 to 12.4% in the first half of 2023.

Operating EBIT (EBIT adjusted for capitalized development services and amortization on these as well as effects from purchase price allocation), the Group's main performance indicator, nearly doubled to EUR 3.9 million as of June 2023, up from EUR 1.9 million in the previous year. EBIT also surged from EUR 0.4 million to EUR 3.1 million.

This resulted in higher consolidated profit of EUR 1.7 million after EUR 0.2 million in the first half of 2022. Accordingly, earnings per share were EUR 0.19 in the first half of 2023, compared with EUR 0.02 in the previous year.

The Group had cash of EUR 9.1 million as of June 30, 2023, compared with EUR 6.8 million as of December 31, 2022. This recovery is very clearly reflected in cash flow. Cash flow from operating activities after six months totaled EUR 9.1 million after EUR 3.1 million in the prior-year period.

Capital expenditure on property, plant, and equipment was made for replacement purposes and to strengthen network security in connection with the increased threat of cybercrime. Please refer to the Research and Development section for information on investments in products. Cash flow from financing activities in the amount of EUR –3.9 million was driven by the payment of the 2023 dividend of EUR 0.9 million and the scheduled net repayment of loans of EUR 2.0 million.

Overall, this translates into an equity ratio of 56.4% as of June 30, 2023 (58.0% as of June 30, 2022).

RESEARCH AND PRODUCT DEVELOPMENT

In the first six months of 2023, Softing capitalized internal and external expenses of EUR 2.4 million (after EUR 2.3 million in the previous year) for the development of new products and the enhancement of existing ones. GlobalmatiX AG also continued to invest in its future mobile communications infrastructure. New and improved products will be launched by all segments in the second half of 2023. Further development services for product maintenance were expensed.

EMPLOYEES

As of June 30, 2023, the Group had 408 employees (previous year: 383). No stock options were issued to employees in the reporting period.

OPPORTUNITIES AND RISKS FOR THE COMPANY'S FUTURE DEVELOPMENT

The Company's risk structure as of the June 30, 2023 reporting date and looking ahead to the second half of 2023 has not changed much compared to the description in the consolidated financial statements for the year ended December 31, 2022, particularly with regard to the procurement crisis and the cloudy economy. The procurement crisis triggered by Russia's war of destruction in Ukraine and the COVID lockdowns in China has not yet been fully overcome. According to estimates from many institutions (ECB, World Bank, ifo Institute, etc.) the currently higher level of inflation, which is being further fueled by surging energy prices, is expected to remain high. The year-on-year upsurge in prices will most likely decrease only moderately in 2023. In risk management terms, this means implementing measures aimed at improving profitability. In spite of the steps taken, the risks cannot be controlled completely. We do not anticipate a significant loss of revenue that is not directly realizable because most of our products cannot be easily replaced in our customers' value chains.

Geopolitical uncertainty caused by Russia's war of aggression remains a concern. The sanctions Western nations have imposed on Russia could soften demand. Because Softing AG's customer base is essentially limited to Western countries, we do not fear any direct negative impacts on our business model. Even in the past, direct business relations with Russia accounted for less than 2% of revenue. However, were the conflict to drag out further or even escalate, Germany and Europe could continue to experience major shortages of energy, leading to economic slowdowns, which would also affect Softing AG. We do not currently see a triggering event necessitating an unscheduled impairment test, but we, too, are monitoring the situation closely nonetheless.

The economic risks of the procurement crisis, such as revenue shifts and supply bottlenecks, have been managed using the following package of measures:

- Forecast scenarios based on different models for the economic development of the impact of the difficult procurement situation
- Stepping up the efforts of the purchasing departments and making flexible use of short-term opportunities while taking cost-benefit analysis into account
- Redesigning highly popular hardware products and making corresponding changes to software
- Supporting our producers by helping to finance stock levels of existing components
- Negotiating with customers on flexible pricing due to higher purchase prices
- Continuously exchanging information with relevant managers and providing mutual support between Group companies in procuring components

Despite the current economic and political environment, we anticipate a further improvement in the procurement situation for the remainder of 2023. While the smoldering energy crisis may have a major effect on production, it is not currently possible to assess its impact. However, as a development and distribution company, Softing is directly dependent on sufficient electricity supplies. Prolonged electricity supply outages would bring its business activities to a standstill. This is why Softing is among those who find it complete incomprehensible that the remaining nuclear power plants, which were fully functional technically to provide a basic supply of electricity in Germany, were switched off.

The Group takes the issue of cyber security and the potential widening of hostilities in this area extremely seriously. The current recommendations of the authorities are being reviewed and implemented taking into account the situation at Softing. Softing is in the process of liaising with other companies to determine its own position. Softing has invested substantial sums in cyber security and provides its staff with regular training on the subject. As no company is immune from a cyber attack, it is essential to ensure that resilience and recoverability are built into IT systems and that all employees remain vigilant. As a result of its efforts, Softing successfully obtained IEC62443 certification in industrial cyber security for its German subsidiary, Softing Industrial Automation GmbH, in the first half of 2023.

Overall, we are currently still expecting results of operations to be stable in the second half of the year. For information on other risks and opportunities, we refer to the Group Management Report in the 2022 Annual Report, page 10 et seq.

PROCUREMENT CRISIS, COMPONENT SHORTAGE AND RECESSION SCENARIO

Impact on net assets, financial position and results of operations:

As of June 30, 2023, the Softing Group has cash and cash equivalents of EUR 9.1 million, current receivables of EUR 12.0 million and agreed but not yet drawn down credit lines of around EUR 6.2 million at its disposal. This means that the Group has up to EUR 27.3 million in near cash funds available at short notice to meet the challenges in these times of crisis.

There were no breaches of loan agreements and Softing fully complied with all of the covenants.

Softing continues to closely monitor its receivables management, and, with one exception, no deterioration in customer payment behavior has been observed so far. This is also due to the fact that most of Softing's customers are large international corporations with sufficient funds.

We are currently confirming the Group's revenue guidance for 2023 of EUR 110 million to EUR 115 million as published in the management report of the 2022 Annual Report (p. 30).

On the back of an excellent first six months of the year, we now expect operating EBIT in full-year 2023 to amount to EUR 5.5 million. EBIT before any special items is now also anticipated to come in higher than planned at more than EUR 4.0 million. The aforementioned revenue and EBIT projections are based on an assessment of risks and opportunities that has not changed compared to the management report in the 2022 Annual Report.

If, however, the electronic components procurement crisis unexpectedly deteriorates or expands due to political developments (e.g. in Taiwan), the Executive Board anticipates a course of business for the final 6 months of the year similar to that observed in financial year 2022.

Due to the Group's financial strength, high level of orders on hand, strict cost discipline at all levels, additional financing options not yet utilized, and global positioning, the Executive Board continues to see no danger of developments threatening the continued existence of the Group as going concern.

EVENTS AFTER THE REPORTING PERIOD

There were no events of special importance after the reporting date of June 30, 2023.

GENERAL ACCOUNTING POLICIES

The consolidated financial statements of Softing AG as of December 31, 2022 were prepared in accordance with the International Financial Reporting Standards (IFRSs) based on the guidance of the International Accounting Standards Board (IASB) applicable at the reporting date. The condensed interim consolidated financial statements as of June 30, 2023, which were prepared on the basis of International Accounting Standard (IAS) 34 „Interim Financial Reporting“, do not contain all of the required information in accordance with the requirements for the presentation of the annual report and should be read in conjunction with the consolidated financial statements of Softing AG as of December 31, 2022. In general, the same accounting policies were applied in the interim financial statements as of June 30, 2023 as in the consolidated financial statements for the 2022 financial year. This 2023 half-yearly report was prepared without an auditor’s review.

CHANGES IN THE BASIS OF CONSOLIDATION

As of June 30, 2023, no changes occurred in the basis of consolidation compared to December 31, 2022.

RESPONSIBILITY STATEMENT

The condensed interim consolidated financial statements for the first half of 2023 were released for publication on August 14, 2023 by resolution of the Executive Board.

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Company, together with a description of the material opportunities and risks associated with the expected development of the Company.

Haar, Germany, August 14, 2023

Softing AG

Dr. Wolfgang Trier
Chief Executive Officer

Ernst Homolka
Executive Board member

Consolidated Income Statement

from January 1 to June 30, 2023

EUR thousand	01/01/ – 06/30/2023	01/01/ – 06/30/2022	04/01/ – 06/30/2023	04/01/ – 06/30/2022
Revenue	**58,110**	**45,593**	**29,581**	**24,955**
Other own work capitalized	2,056	1,750	1,137	815
Other operating income	325	3,033	171	2,773
Operating income	**60,491**	**50,376**	**30,889**	**28,543**
Cost of materials / cost of purchased services	–27,050	–22,074	–14,477	–12,465
Staff costs	–19,812	–18,023	–10,225	–9,025
Depreciation, amortization and impairment losses	–4,128	–4,455	–2,055	–2,251
thereof depreciation / amortization due to purchase price allocation	–834	–829	–415	–420
thereof depreciation/amortization due to lease accounting	–678	–646	–337	–333
Other operating expenses	–6,430	–5,394	–3,016	–2,900
Operating expenses	**–57,420**	**–49,946**	**–29,773**	**–26,641**
Profit / loss from operations (EBIT)	**3,071**	**430**	**1,116**	**1,902**
Interest income	1	4	1	4
Interest expense	–169	–95	–91	–45
Interest expense from lease accounting	–65	–60	–31	–36
Other finance income/finance costs		100		–112
Earnings before income taxes	**2,838**	**379**	**995**	**1,713**
Income taxes	–1,139	–179	–500	–365
Consolidated profit	**1,699**	**200**	**495**	**1,348**
Consolidated profit attributable to:				
Shareholders of Softing AG	1,677	–97	485	1,128
Non-controlling interests	22	297	10	220
Consolidated profit	**1,699**	**200**	**495**	**1,348**
Earnings per share (basic = diluted)	0.19	0.02	0.05	0.14
Average number of shares outstanding (basic)	9,015,381	9,015,381	9,015,381	9,015,381

Consolidated Statement of Comprehensive Income

from January 1 to June 30, 2023

EUR thousand	01/01/ – 06/30/2023	01/01/ – 06/30/2022	04/01/ – 06/30/2023	04/01/ – 06/30/2022
Consolidated profit	**1,699**	**200**	**495**	**1,348**
Items that will be reclassified to consolidated total comprehensive income:				
Currency translation differences				
Changes in unrealized gains / losses	–599	–619	–30	–837
Tax effect		555		532
Total currency translation remeasurements	**–599**	**–64**	**–30**	**–305**
Other comprehensive inco0me	**–599**	**–64**	**–30**	**–305**
Total Consolidated profite for the period	**1,100**	**136**	**465**	**1,043**
Total consolidated comprehensive income for the period attributable to:				
Shareholders of Softing AG	1,078	–161	455	823
Non-controlling interests	22	297	10	220
Total consolidated comprehensive income for the period	**1,100**	**136**	**465**	**1,043**

Consolidated Statement of Financial Position

as of June 30, 2023

Assets	06/30/2023 EUR (in thsds.)	12/31/2022 EUR (in thsds.)
Non-current assets		
Goodwill	17,255	17,398
Other intangible assets	37,487	38,166
Property, plant and equipment	7,392	7,620
Other financial assets	435	435
Deferred tax assets	905	753
Non-current assets, total	**63,474**	**64,372**
Current assets		
Inventories	21,027	18,984
Trade receivables	11,964	16,756
Current financial assets	319	318
Contract assets	1,347	524
Current income tax assets	160	324
Cash and cash equivalents	9,064	6,802
Current assets	2,614	2,368
Current assets, total	**46,495**	**46,076**
Total assets	**109,969**	**110,448**

Equity and liabilities	06/30/2023 EUR (in thsds.)	12/31/2022 EUR (in thsds.)
Equity		
Subscribed capital	9,105	9,105
Capital reserves	31,111	31,111
Treasury Shares	–485	–485
Retained earnings	21,441	21,264
Equity attributable to shareholders of Softing AG	61,172	60,995
Non-controlling interests	861	840
Equity, total	**62,033**	**61,835**
Non-current liabilities		
Pensions	1,014	1,121
Long-term borrowings	7,858	9,258
Other non-current financial liabilities	8,264	8,287
Deferred tax liabilities	4,691	4,537
Non-current liabilities, total	**21,827**	**23,203**
Current liabilities		
Trade payables	8,213	9,266
Contract liabilities	6,754	4,999
Provisions	43	52
Income tax liabilities	1,065	334
Short-term borrowings	4,836	5,477
Other current financial liabilities	4,337	4,157
Current non-financial liabilities	861	1,125
Current liabilities, total	**26,109**	**25,410**
Total equity and liabilities	**109,969**	**110,448**

Consolidated Statement of Changes in Equity

from January 1 to June 30, 2023

	Sub-scribed capital	Capital reserves	Treasury shares	Retained earnings				Equity attributable to share-holders of Softing AG	Non-controlling interests	Total equity
				Net retained profits and other	Remeasure-ments	Currency translation	Total			
	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)
Balance as of January 01, 2023	**9,105**	**31,111**	**–485**	**20,664**	**–676**	**1,275**	**21,264**	**60,995**	**840**	**61,835**
Consolidated profit 2023				1,677			1,677	1,677	22	1,699
Other comprehensive income 2023					0	–599	–599	–599	0	–599
of which from remeasurements					0		0	0		0
of which currency translation						–599	–599	–599		–599
of which tax effect					0	0	0	0		0
Total consolidated comprehensive income for the period				**1,677**	**0**	**–599**	**1,078**	**1,078**	**22**	**1,100**
Dividend payment				–902			–902	–902		–902
Purchase of own shares				0			0	0		0
Changes in minority interests							0	0	0	0
Transactions with owners in their capacity as owners				**–902**			**–902**	**–902**	**0**	**–902**
Balance as of June 30, 2023	**9,105**	**31,111**	**–485**	**21,439**	**–676**	**676**	**21,440**	**61,171**	**862**	**62,033**

	Sub-scribed capital	Capital reserves	Treasury shares	Retained earnings				Equity attributable to share-holders of Softing AG	Non-controlling interests	Total equity
				Net retained profits and other	Remeasure-ments	Currency translation	Total			
	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)
Balance as of January 01, 2022	**9,105**	**31,111**	**–485**	**22,962**	**–1,744**	**1,976**	**23,195**	**62,926**	**622**	**63,548**
Consolidated profit 2022				–1,397			–1,397	–1,397	218	–1,179
Other comprehensive income 2022					1,068	–701	367	367	0	367
of which from remeasurements					1,485		1,485	1,485		1,485
of which currency translation						–1,257	–1,257	–1,257		–1,257
of which tax effect					–417	555	138	138		138
Total consolidated comprehensive income for the period				**–1,397**	**1,068**	**–701**	**–1,030**	**–1,030**	**218**	**–812**
Dividend payment				–902			–902	–902		–902
Purchase of own shares				0			0	0		0
Changes in minority interests							0	0	0	0
Transactions with owners in their capacity as owners				**–902**			**–902**	**–902**	**0**	**–902**
Balance as of December 31, 2022	**9,105**	**31,111**	**–485**	**20,664**	**–676**	**1,275**	**21,264**	**60,995**	**840**	**61,835**

Consolidated Statement of Cash Flows

from January 1 to June 30, 2023

EUR thousand	01/01/ – 06/30/2023	01/01/ – 06/30/2022
Cash flows from operating activities		
Profit (before tax)	2,839	379
Depreciation, amortization and impairment losses on fixed assets	4,128	4,455
Other non-cash changes	–140	–1,473
Cash flows for the period	**6,827**	**3,361**
Interest income / Finance income	–1	–100
Interest expense / Finance costs	169	95
Change in other and accrued liabilities	–116	–167
Change in inventories	–2,043	–2,685
Change in trade receivables	3,970	–2,093
Changes in financial receivables and other assets	–235	1,315
Change in trade payables	–1,053	1,233
Changes in financial and non-financial liabilities and other liabilities	1,753	2,333
Interest received / Finance income	1	4
Income taxes received	19	158
Income taxes paid	–207	–319
Cash flows from operating activities	**9,084**	**3,135**
Cash paid for investments in new internal product developments	–2,043	–1,834
Cash paid for investments in new external product developments	–396	–507
Investments in other intangible assets	–43	–16
Cash paid for investments in property, plant and equipment	–435	–418
Cash flows from investing activities	**–2,917**	**–2,775**
Cash paid for dividends	–902	–902
Repayment of lease liabilities	–679	–646
Cash received from short-term bank line	0	401
Cash repayment of bank loans	–2,041	–1,400
Interest from lease accounting	–65	–60
Other interest paid	–169	–95
Total interest paid	–234	–155
Cash flows from financing activities	**–3,856**	**–2,702**
Net change in funds	2,311	–2,342
Effects of exchange rate changes on cash and cash equivalents	–49	–151
Cash and cash equivalents at the beginning of the period	6,802	9,613
Cash and cash equivalents at the end of the period	**9,064**	**7,120**

Consolidated Segment Reporting

from January 1 to June 30, 2023

	Industrial		Automotive		IT Networks		Other		Total segments		Other consolidation		Total	
	2023 EUR (in thsds.)	2022 EUR (in thsds.)	2023 EUR (in thsds.)	2022 EUR (in thsds.)	2023 EUR (in thsds.)	2022 EUR (in thsds.)	2023 EUR (in thsds.)	2022 EUR (in thsds.)	2023 EUR (in thsds.)	2022 EUR (in thsds.)	2023 EUR (in thsds.)	2022 EUR (in thsds.)	2023 EUR (in thsds.)	2022 EUR (in thsds.)
Revenues with third parties	44,557	32,572	9,952	9,108	2,763	2,956	838	958	58,110	45,593	0	0	58,110	45,593
Revenues with other segments	167	184	72	166	651	722	0	6	890	1,079	−890	−1,079	0	0
Total revenue	44,724	32,755	10,024	9,275	3,413	3,678	838	964	59,000	46,672	−890	−1,079	58,110	45,593
Depreciation / amortization	−1,446	−1,516	−1,600	−1,970	−472	−427	−611	−543	−4,129	−4,457	2	2	−4,128	−4,455
Impairment of assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating segment result	6,723	1,626	−482	−1,196	−1,358	−943	−566	3,888	4,316	3,376	−420	−1,443	3,896	1,933
EBIT	6,135	1,200	−36	−1,937	−1,597	−825	−513	3,879	3,988	2,317	−917	−1,887	3,071	430
Segment assets	52,985	52,623	39,897	37,434	13,506	13,774	13,959	17,506	120,348	121,337	−10,378	−13,201	109,969	108,135
of which IFRS 16	653	558	196	309	69	161	3,736	3,933	4,654	4,960	0	0	4,654	4,960
Segment liabilities	18,181	17,566	15,706	11,676	5,229	2,136	38,517	33,651	77,633	65,030	−29,698	−19,678	47,935	45,352
of which IFRS 16	370	279	67	167	11	58	3,211	3,475	3,659	3,978	0	0	3,659	3,978
Capital expenditure	748	868	1,931	1,082	180	736	782	3,923	3,642	6,610	−12	0	3,630	6,610

Revenue from contracts with customers recognized over time	Industrial		Automotive		IT Networks		Other		Total	
	2023 EUR (in thsds.)	2022 EUR (in thsds.)	2023 EUR (in thsds.)	2022 EUR (in thsds.)	2023 EUR (in thsds.)	2022 EUR (in thsds.)	2023 EUR (in thsds.)	2022 EUR (in thsds.)	2023 EUR (in thsds.)	2022 EUR (in thsds.)
Point in time	43,783	31,607	3,632	4,607	2,747	2,779	838	958	51,000	39,951
Over time	774	964	6,320	4,501	16	177	0	0	7,110	5,642
Total	44,557	32,571	9,952	9,108	2,763	2,956	838	958	58,110	45,593

Geographical segments:	Revenue		Fixed assets		Additions to fixed assets	
	2023 EUR (in thsds.)	2022 EUR (in thsds.)	2023 EUR (in thsds.)	2022 EUR (in thsds.)	2023 EUR (in thsds.)	2022 EUR (in thsds.)
Germany	14,690	13,591	25,759	27,178	2,661	5,680
USA	29,874	14,774	17,385	19,308	48	13
Other countries	13,546	17,228	19,424	19,411	921	917
Total	**58,110**	**45,593**	**62,569**	**65,897**	**3,630**	**6,610**

Directors’ Holdings

Boards	Number of shares		Number of options	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Supervisory Board				
Matthias Weber (chairman), Chief Financial Officer, Holzkirchen	–	–	–	–
Andreas Kratzer (Deputy chairman), certified public accountant, Zurich, Switzerland	10.155	10.155	–	–
Dr. Klaus Fuchs (member), graduate computer scientist / graduate engineer, Helfant	278.820	278.820	–	–
Executive Board				
Dr.-Ing. Dr. rer. oec. Wolfgang Trier, Munich	163.234	163.234	–	–
Ernst Homolka, Munich	10.900	10.900	–	–

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