

cenit



**HALF-YEAR FINANCIAL REPORT
AS OF JUNE 30, 2021**

CENIT GROUP – AT A GLANCE
1 JANUARY TO 30 JUNE 2021 (UNAUDITED)

in EUR k	Q2 2021	Q2 2020	Change in %	H1 2021	H1 2020	Change in %
Key data						
Revenue	37,706	35,461	+6.3	73,928	74,689	-1.0
Third-party software	23,910	22,977	+4.1	47,552	46,701	+1.8
from licences	3,756	1,898	+97.9	7,474	4,584	+63.0
from recurring sales*	20,154	21,079	-4.4	40,078	42,117	-4.8
Proprietary software	4,111	3,683	+11.6	7,665	7,323	+4.7
from licences	1,487	865	+71.9	2,365	1,710	+38.3
from recurring sales*	2,624	2,818	-6.9	5,300	5,613	-5.6
Consulting and services	9,681	8,784	+10.2	18,698	20,378	-8.2
Merchandise	3	17	-82.4	12	287	-95.8
EBITDA	2,686	1,470	+82.7	3,520	3,808	-7.6
EBIT	1,458	-24	>100.0	936	781	+19.8
<i>as % of sales</i>	<i>3.87</i>	<i>-0.07</i>	<i>>100.0</i>	<i>1.27</i>	<i>1.05</i>	<i>+0.22</i>
Net income	929	-178	>100.0	427	312	+36.9
<i>per share in EUR (basic and undiluted after mi- nority interests)</i>	<i>0.11</i>	<i>-0.02</i>	<i>>100.0</i>	<i>0.05</i>	<i>0.04</i>	<i>+25.0</i>
Cash flow data						
Cash flow from current business activities	1,947	-239	>100.0	9,714	9,414	+3.2
Cash flow from investment activity	-383	-363	+5.5	-663	-724	-8.4
Cash flow from financing activity	-4,747	-1,027	+362.2	-5,583	-1,890	+195.4
Balance sheet ratios						
Liquid assets				30/06/ 2021	31/12/ 2020	Change in %
Net liquidity				29,524	26,056	+13.3
Total assets				12,463	14,133	-11.8
Equity ratio in %				86,384	83,449	+3.5
Employees on reporting date				45.42	51.20	-5,8
				695	711	-2.3

* Subscription and software maintenance contracts

Report on assets and financial and earnings situation

In comparison with last year, the first half of 2021 was dominated by an increase in sales of software licences (+56.3%), which contributed to an increase in consolidated EBIT on last year (+19.8%).

With the COVID-19 pandemic still causing difficulties in the market environment, the first quarter of 2021 saw, as anticipated, a challenging start. This was followed in the 2nd quarter 2021 by a consolidated EBIT up by EUR 1,482 k compared to the same quarter of last year, resulting in a Group-EBIT of EUR 936 k for the first half of 2021. This was driven by sales of software licences and third-party and proprietary software solutions in particular, which were higher than in the same period of last year (+EUR 3,545 k, +56.3%). At the same time, sales of proprietary software licences rose by 38.3%; in our experience, such increases tend to be followed by further sales for software maintenance as well as services and consulting.

Despite the fact that, unlike H1 2020, the first half of 2021 included two “corona quarters”, consolidated sales for H1 2021 were maintained at approximately the same level as last year (EUR 73,928 k, -1.0%). Measures rolled out last year to intensify and maintain contact with customers through virtual training sessions, webinars and support, as well as cost-management measures rolled out jointly with managers, allowed the Group to achieve a consolidated EBIT up by EUR 155 k on last year’s figure (EUR 936 k).

Overview of segments

The performances of the PLM and EIM segments in the first half of 2021 contrasted strongly with each other. EIM registered declining external revenue (-4.8%), which was reflected in a segment EBIT down by EUR 107 k on last year’s figure (EUR 655 k). The PLM sector, however, with segment sales comparable to last year’s, improved its segment EBIT by EUR 262 k (to EUR 281 k). This gain was made possible by the strength of its licensing business, especially in June 2021 (+EUR 1,449 k, +138%).

Operating cash flow continues to be clearly positive, contributing to the CENIT Group’s solidity.

The continued positive cash flow from current business activities (EUR 9,714 k; last year: EUR 9,414 k) essentially results from a positive change in working capital (EUR 8,138 k). While part of this was allocated to investments in tangible fixed assets (EUR 465 k), it was primarily used for payment of lease liabilities (EUR 1,651 k) and the 2020 dividend (EUR 3,932 k). Consequently, CENIT’s liquid assets increased by EUR 3,468 k to EUR 29,524 k in the period to 30 June 2021.

CENIT Group’s financial position is characterised by a consistently high equity ratio of over 45%, stable net liquidity of EUR 12,463 k and growing cash holdings.

Total assets have increased by EUR 2,935 k since 31/12/2020. This results essentially from an increase in cash holdings (+EUR 2,935 k) on the assets side and, mainly, increased non-current liabilities arising from software update contracts (+EUR 8,345 k) accompanied by reduced equity due to the 2020 dividend payment (-EUR 3,490 k) on the liabilities side.

Events after the interim report period

There have been no reportable events since the end of the interim report period to 30 June 2021.

Employees

On the reporting date, 30 June 2021, the CENIT Group had 695 employees (31/12/2020: 711). Despite the pandemic and the consequent necessity of short-time work, we succeeded in keeping staff turnover low. Retaining motivated and well-trained staff will allow the Group to take advantage of future business opportunities as the economy recovers.

Report on principal transactions with related parties

There have been no material changes to the relevant information since the last consolidated financial statement for the period to 31 December 2020.

Report on opportunities and risks

For information on the principal opportunities and risks – in particular the impact of the COVID-19 pandemic – for the anticipated development of the CENIT Group, we refer you to the relevant comments in the Report on expected developments within the Group's management report for the period to 31 December 2020 and to the remarks in this half-yearly financial report. In the intervening period, there have been no material changes to this information.

Report on forecasts and other statements regarding anticipated development

Over the course of a year, business activity is subject to certain seasonal fluctuations. In the past, contributions to sales and earnings tended to be lowest in the first quarter and, as a result of traditionally strong business at the year-end, highest in the fourth quarter. Consequently, interim results had only limited value as indicators of results for the whole fiscal year.

Against the backdrop of the results for the first half of 2021 and, having taken current estimates of the probable evolution of demand in relevant markets into account, we continue to expect consolidated sales of EUR 152,000 k and consolidated earnings (EBIT) of approximately EUR 4,900 k, provided that the general conditions do not deteriorate significantly as a result of the pandemic.

These forecasts remain subject to the express proviso that the COVID-19 pandemic does not lead to any significant deterioration of the global economic and sector-specific environments.

CENIT AKTIENGESELLSCHAFT, STUTTGART
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IN ACCORDANCE WITH IFRS) (UNAUDITED)

in EUR k	Q2 2021	Q2 2020	H1 2021	H1 2020
REVENUE	37,706	35,461	73,928	74,689
Other operating income	869	323	1,613	700
OPERATING INCOME	38,575	35,784	75,541	75,389
Cost of materials	19,201	18,969	37,921	38,511
Personnel expenses	14,470	13,339	29,767	28,650
Amortisation of intangible assets and depreciation of property, plant and equipment	1,229	1,493	2,584	3,026
Other operating expenses	2,217	2,007	4,333	4,420
OPERATING EXPENSES	37,117	35,808	74,605	74,608
NET OPERATING INCOME (EBIT)	1,458	-24	936	781
Interest income	0	0	0	0
Interest expenses	26	45	78	88
NET PROFIT (LOSS) BEFORE TAXES (EBT)	1,432	-69	858	693
Income taxes	503	109	431	381
NET INCOME	929	-178	427	312
Amount attributable to CENIT AG shareholders	914	-163	401	310
Amount attributable to non-controlling interests	15	-15	26	2
<i>Earnings per share in EUR, basic and diluted</i>	<i>0.11</i>	<i>-0.02</i>	<i>0.05</i>	<i>0.04</i>
Items that, under certain circumstances, will be reclassified under the income statement in the future				
Compensation from currency translation for foreign subsidiaries	0	-41	15	35
Items that will not be reclassified under the income statement in future				
Other comprehensive income after taxes	0	-41	15	35
Total comprehensive income	929	-219	442	347
Amount attributable to CENIT AG shareholders	914	-204	416	345
Amount attributable to non-controlling interests	15	-15	26	2

CENIT AKTIENGESELLSCHAFT, STUTTGART
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN ACCORDANCE WITH IFRS) (UNAUDITED)

in EUR k	30/06/2021	31/12/2020
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	10,727	11,065
Property, plant and equipment	11,903	13,691
Investments recognised to equity	60	60
Other financial assets	2,750	2,500
Deferred tax assets	1,330	1,275
NON-CURRENT ASSETS, total	26,770	28,590
CURRENT ASSETS		
Inventories	12	12
Trade receivables	14,889	14,562
Receivables from investments recognised to equity	1,629	2,514
Contract assets	1,525	2,469
Current tax assets	2,211	1,945
Other receivables	527	692
Cash holdings	29,524	26,056
Other assets	9,297	6,609
CURRENT ASSETS, total	59,614	54,859
TOTAL ASSETS	86,384	83,449

CENIT AKTIENGESELLSCHAFT, STUTTGART
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN ACCORDANCE WITH IFRS) (UNAUDITED)

in EUR k	30/06/2021	31/12/2020
LIABILITIES		
EQUITY		
Subscribed capital	8,368	8,368
Capital reserves	1,058	1,058
Currency translation reserve	956	941
Legal reserve	418	418
Other reserves	13,793	13,793
Profit carried forward	13,547	15,161
Net income	401	2,318
Equity attributable to shareholders in the parent company	38,541	42,057
Non-controlling interests	692	666
EQUITY, total	39,233	42,723
NON-CURRENT LIABILITIES		
Other liabilities	557	612
Pension liabilities	1,619	1,575
Lease liability, non-current	7,854	9,016
Deferred tax liabilities	21	23
NON-CURRENT LIABILITIES, total	10,051	11,226
CURRENT LIABILITIES		
Trade payables	3,085	3,270
Liabilities from investments recognised to equity	0	32
Other liabilities	8,742	8,104
Lease liability, current	2,596	2,974
Current income tax liabilities	252	1,154
Other provisions	184	70
Contract liabilities	22,241	13,896
CURRENT LIABILITIES, total	37,100	29,500
TOTAL ASSETS	86,384	83,449

CENIT AKTIENGESELLSCHAFT, STUTTGART		
CONSOLIDATED STATEMENT OF CASH FLOWS (IN ACCORDANCE WITH IFRS) (UNAUDITED)		
in EUR k	H1 2021	H1 2020
Cash flow from operating activities		
Net income	427	312
Depreciation of fixed assets	2,584	3,026
Interest income and expenses	78	88
Tax expenses	431	381
Increase in other non-current liabilities and reserves	2	153
Change in working capital	8,138	5,782
Interest paid	-19	-88
Income taxes paid	-1,927	-240
CASH FLOW FROM CURRENT BUSINESS ACTIVITIES	9,714	9,414
Payments for investments in property, plant and equipment and intangible assets	-413	-621
Payments for purchase of shares in fully consolidated entities (net cash out-flow)	0	-103
Payment for investments	-250	0
CASH FLOW FROM INVESTMENT ACTIVITIES	-663	-724
Lease liability payments	-1,651	-1,694
Dividends to shareholders in the parent company	- 3,932	0
Dividends to non-controlling interests	0	-196
CASH FLOW FROM FINANCING ACTIVITIES	-5,583	-1,890
CHANGES IN CASH AND CASH EQUIVALENTS	3,468	6,800
Change in cash and cash equivalents due to foreign exchange differences	0	43
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD	26,056	18,461
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	29,524	25,304

CENIT AKTIENGESELLSCHAFT, STUTTGART
STATEMENT OF CHANGES IN EQUITY (IN ACCORDANCE WITH IFRS) (UNAUDITED)

	Equity attributable to shareholders in the parent company								
in EUR k	Subscribed capital	Capital reserves	Currency translation reserve	Revenue reserves		Profit carried forward	Net income	Non-controlling interests	Total
				Legal reserve	Other reserves				
On 1/1/2020	8,368	1,058	1,058	418	13,771	8,289	6,872	1,106	40,940
Reclassification of Group net income from last year						6,872	-6,872		
Total comprehensive income for the period			-117		23		2,318	-27	2,197
Purchase of additional shares by minority interests					-1			-217	-218
Dividend distribution								-196	-196
On 31/12/2020	8,368	1,058	941	418	13,793	15,161	2,318	666	42,723
Reclassification of Group net income from last year						2,318	-2,318		
Purchase of additional shares by minority interests									
Total comprehensive income for the period			15				401	26	442
Dividend distribution						-3,932			-3,932
On 30/06/2021	8,368	1,058	956	418	13,793	13,547	401	692	39,233

Notes on the interim financial statement

Pursuant to section 315e of the German Commercial Code (HGB), this condensed consolidated interim financial statement for the listed company CENIT Aktiengesellschaft, Stuttgart, was prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), as adopted by the EU, and interpretations thereof by the International Financial Reporting Interpretation Committee (IFRIC). In line with the provisions of IAS 34, we have chosen to make the scope of the information presented in this interim financial statement for the period to 30 June 2021 considerably narrower than that in the year-end consolidated financial statement.

The accounting and consolidation principles applied in this consolidated interim financial statement are based on those adopted in the consolidated financial statement for the 2020 fiscal year. No new standards were adopted by the EU in the first half of 2021. This condensed consolidated interim financial statement should be read in conjunction with the CENIT consolidated financial statement for the 2020 fiscal year. The basis of consolidation has not changed since 31 December 2020.

The consolidated interim financial statement of 30 June 2021 has not been audited or subjected to review. Concerning material changes in the consolidated balance sheet and statement of comprehensive income, we refer you to the Report on assets and financial and earnings situation within this interim management report.

Estimates and assumptions based on the COVID-19 pandemic

Given the at present unforeseeable global consequences of the COVID-19 pandemic, estimates and accounting judgements are subject to increased uncertainty. Actual amounts may differ from those in the estimates and accounting judgements. The available information on probable economic development was taken into account when the estimates and accounting judgements were updated. This information was included in the assessment of impairment losses on financial assets, in particular receivables.

Relevant information on current and anticipated business development was taken into account in the analysis of impairment losses on financial assets, in particular trade receivables and goodwill (IAS 36). This analysis yielded no indication of any impairment loss on goodwill.

BREAKDOWN OF INCOME BY PRODUCT/INCOME TYPE

in EUR k	H1 2021	H1 2020	Change in %
Third-party software	47,552	46,701	+1.8
from licences	7,474	4,584	+63.0
from subscriptions	5,706	5,965	-4.3
from software updating	34,372	36,152	-4.9
CENIT consulting and services	18,698	20,378	-8.2
CENIT Software	7,665	7,323	+4.7
from licences	2,365	1,710	+38.3
from subscriptions	165	342	-51.8
from software updating	5,135	5,271	-2.6
Merchandise	12	287	-95.8
Total	73,928	74,689	-1.0

BREAKDOWN OF INCOME BY REGIONS

in EUR k	H1 2021	H1 2020	Change in %
Germany	40,567	42,062	-3.6
Europe excluding Germany	29,276	28,383	+3.1
America	3,453	3,549	-2.7
Asia	632	695	-9.1
Total	73,928	74,689	-1.0

Group segment report

The principles on which information on Group segments was prepared are the same as those adopted in the consolidated financial statement for the 2020 fiscal year.

For management purposes, the Group is organised into business units based on its products and services, and includes the following two reportable operating segments:

- PLM (Product Lifecycle Management)
- EIM (Enterprise Information Management)

30 JUNE 2021 IN EUR K	PLM	EIM	RECONCILIATION	TOTAL
External revenue	67,143	6,785	0	73,928
Amortisation and depreciation	2,380	204	0	2,584
EBIT	281	655	0	936
Financial result	0	0	- 78	-78
Income taxes	0	0	- 431	-431
Net income	281	655	-509	427
Segment assets	47,926	5,393	33,065	86,384
Segment liabilities	39,654	6,363	1,134	47,151
Investments in property, plant and equipment and intangible assets	424	41	0	465

30 JUNE 2020 IN EUR K	PLM	EIM	RECONCILIATION	TOTAL
External revenue	67,562	7,128	0	74,689
Amortisation and depreciation	2,679	347	0	3,026
EBIT	19	762	0	781
Financial result	0	0	-88	-88
Income taxes	0	0	-381	-381
Net income	19	762	-469	312
Segment assets	56,387	5,055	28,765	90,207
Segment liabilities	43,435	5,479	420	49,334
Investments in property, plant and equipment and intangible assets	548	73	0	621

The segmentation by region is based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are assigned to individual segments in line with the geographical location of the relevant Group company.

30 JUNE 2021 IN EUR K	EXTERNAL REVENUE	NON-CURRENT SEGMENT ASSETS
Germany	40,567	21,346
Europe excluding Germany	29,276	6,930
America	3,453	152
Asia	632	182
Reconciliation	0	-1,840
Total	73,928	26,770

30 JUNE 2020 IN EUR K	EXTERNAL REVENUE	NON-CURRENT SEGMENT ASSETS
Germany	42,062	23,005
Europe excluding Germany	28,383	8,361
America	3,549	289
Asia	695	69
Reconciliation	0	-1,625
Total	74,689	30,099

Responsibility statement

“To the best of our knowledge, and in accordance with the applicable reporting principles, we affirm that the half-yearly financial report provides a true and fair impression of the assets and the financial and earnings situation of the Group, and that this report describes the course of business, including the business result and the financial situation of the group, in such a way as to impart a true and fair impression of actual circumstances, as well as describing the principal risks and opportunities associated with the anticipated development of the Group.”

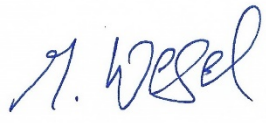
Stuttgart, 03 August 2021

CENIT Aktiengesellschaft

The Management Board



Kurt Bengel
Spokesman, Management Board



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