Half-Year Interim Report 2021

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Consolidated Key Figures

		Q2 2021	Q2 2020	Half-yearly report 2021	Half-yearly report 2020
Incoming orders	(EUR million)	25.0	16.1	48.8	37.2
Orders on hand	(EUR million)			23.5	20.7
Revenue	(EUR million)	19.4	15.8	39.5	35.8
EBITDA (IFRS)	(EUR million)	1.4	0.8	3.7	2.1
EBIT (IFRS)	(EUR million)	–0.6	–1.2	–0.2	–1.8
EBIT (operating)	(EUR million)	0.0	–1.1	1.0	–1.0
Consolidated profit (IFRS)	(EUR million)	–1.0	–1.4	–0.2	–1.9
Earnings per share (IFRS)	(EUR)	–0.11	–0.16	–0.02	–0.21
Non-current assets	(EUR million)			63.8	70.6
Current assets	(EUR million)			38.6	37.7
Equity	(EUR million)			62.4	67.2
Equity ratio				61 %	62 %
Cash and cash equivalents	(EUR million)			12.5	11.8
Number of employees (as of June 30)				392	400

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Letter from the CEO

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

I am delighted that we are able to report good news and positive developments from your company for a third consecutive quarter. The encouraging trend that began in the fourth quarter of 2020 continued throughout the first and second quarters of 2021.

Let's come to the point right away: The Executive Board is confirming scenario 1 of the forecast for full-year 2021, assuming a general decrease in infection rates and successful implementation of the economic support measures. At segment level, we assume that revenue will increase between 10% and 15%, accompanied by a rise in EBIT and operating EBIT, in all segments except Automotive. Even though the outlook is much brighter, the recovery we can observe in Industrial and IT Networks is not yet reflected in the figures for the Automotive segment. Negotiations are currently underway for the award of contracts for major projects with a high proportion of software products, which will give earnings a significant boost towards year-end and further into 2022. All things considered, the Group is benefiting from its financial strength and from the rigorous cost-cutting measures implemented at all levels in the course of the pandemic. Overall, the trends described for the segments lead us to expect consolidated EBIT in a range of EUR 2 million to EUR 3 million despite a normalization of operating costs. The Executive Board expects operating EBIT to rise to around EUR 3.0 million. We project that the non-financial performance indicators in the 2021 financial year will maintain the levels achieved.

We are optimistic as regards the further course of the pandemic. Based on available data, it is clear that a large share of the over-50s, who have suffered approximately 99% of problematic and fatal courses of the disease to date, has been vaccinated and is thus essentially protected. Assuming this trend continues, there is no objective reason why the country should be locked down again, even if infection rates are rising among the younger generations. We will simply have to live with a certain level of infection. There is a risk, however, that politicians will disregard the evidence and enforce a requirement to work from home and other coercive measures against the population and businesses, especially since such measures are deeply entrenched in the ideology of the SPD-led Ministry of Labor. This would push us in the direction of scenario 2 and, depending on the extent of the actions taken, stifle the economic recovery.

Another risk lies in the increasingly dramatic situation as regards availability of electronic components. These are either not available for up to 50 weeks and more, or components with a value of less than one euro have to be purchased on the broker market for up to EUR 20 each. This is one reason why profits are not recovering as fast as sales. As mentioned in the outlook section of the interim Group management report, even the best possible hedging cannot eliminate the risk that revenue of up to EUR 5 million may not be achieved this year in spite of urgent demand on the part of our customers. What is more, the lack of availability is curbing the potential for additional revenue growth, since unplanned demand is difficult to meet.

A 31% surge in incoming orders and an increase in orders on hand of around 14% compared with the crisis-hit 2020 result in figures that nearly match the pre-crisis level of 2019. High orders on hand at the end of the first half of 2021 show the potential for further improvement in our KPIs in the second half of the year. However, most of the orders on hand will not translate into revenue until the last quarter of 2021.

Consolidated revenue rose by 10% to EUR 39.5 million in the first half of 2021, fueling a sharp increase in EBITDA of 76% to EUR 3.7 million. The EBITDA margin consequently widened from 6% in the first half of 2020 to 9.4% in the same period in 2021. This brought the Group's operating EBIT back into positive territory in the first half of 2021 from EUR –1.0 million in the prior-year period to EUR 1.0 million. EBIT rose from EUR –1.8 million to EUR –0.2 million. Earnings per share climbed by over 90% to EUR –0.02 in the first half of 2021, compared with EUR –0.21 in the prior-year period.

Cash flow from operating activities in the first six months totaled EUR 7.9 million, up from EUR 3.2 million in the year-earlier period. The Group had cash of EUR 12.5 million as of June 30, 2021 (December 31, 2020: EUR 10.1 million). The Group's equity ratio at the end of the first half year remained at a rock solid 61%.

In the Industrial segment, we are currently advancing the digitalization of industry by interconnecting the electronic control systems of existing machinery. Existing plants are being upgraded to be able to send and receive data in a similar manner to state-of-the-art systems. This allows customers to rapidly set up fully digitalized manufacturing and also completely connect different manufacturing facilities in their home country and abroad, as well as manage all of their plants around the world. The resulting benefits to customers and the savings potential are huge.

We are increasingly achieving recurring revenues from our segments' products and services by entering into multi-year usage agreements. One such example is the master agreement between GlobalmatiX and MSS Holding, owner and licensee of several rental car companies in Switzerland, for the installation of at least 10,000 GlobalmatiX telematics boxes. GlobalmatiX's Car2Cloud over-the-air solution will enable MSS to detect accidents in real time, automate the processing of insurance claims, run remote vehicle diagnostics, schedule predictive maintenance, and build a seamless digital vehicle history. This will greatly facilitate the car return and inspection process and fleet management and ultimately reduce costs and increase resale values. All systems will come with a multi-year data and service contract and will generate recurring revenues in subsequent years. GlobalmatiX has a well-filled sales pipeline. We expect to sell approximately 10,000 more telematics boxes and service contracts in the second half of the year.

IT Networks was the segment that recorded the highest revenue growth to date in the first half of the year, boosted by our marketing drive and the now perfected webinar program. Even though the tremendous momentum seen in the first quarter slowed somewhat mid-year, IT Networks will close this year with new record figures. We are also making good progress in the development of new projects. The devices will come on the market at the end of the year and underpin growth in the coming year.

Dear shareholders, employees, partners and friends of Softing AG – as you can see, we are forging ahead with pride and vigor in pursuit of our goals. We hope that you, too, will come through these times unscathed and successfully and will follow how Softing acts on any opportunities that arise.

Sincerely yours,

Dr. Wolfgang Trier
(Chief Executive Officer)

Softing Shares

EQUITY MARKET REACTS POSITIVELY TO NEW TELEMATICS ORDERS

The Softing share began the year at a price of EUR 5.48 and reached its first interim high of EUR 6.36 as early as February 17, before first dropping considerably and then moving sideways until May 12 to reach its most recent interim low of EUR 5.32. It then recovered rapidly to reach its high for the year to date of EUR 7.72 on June 14, 2021. At the end of the first half on June 30, 2021, the share traded at EUR 7.34. It is currently quoted at a slightly lower price of EUR 6.70 (July 28, 2021). At the end of the first half of 2021, the market capitalization of Softing AG was EUR 61.4 million, well above the previous year's figure of EUR 47.0 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 5,544 shares (Xetra and floor trading), just slightly above what in the previous year was already a considerably reduced figure of 5,521 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 DIVIDEND OF EUR 0.04 PER SHARE

On May 6, 2020, the General Shareholders' Meeting of Softing AG adopted a resolution to distribute a considerably reduced dividend of EUR 0.04 (previous year: EUR 0.13) per no-par share.

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

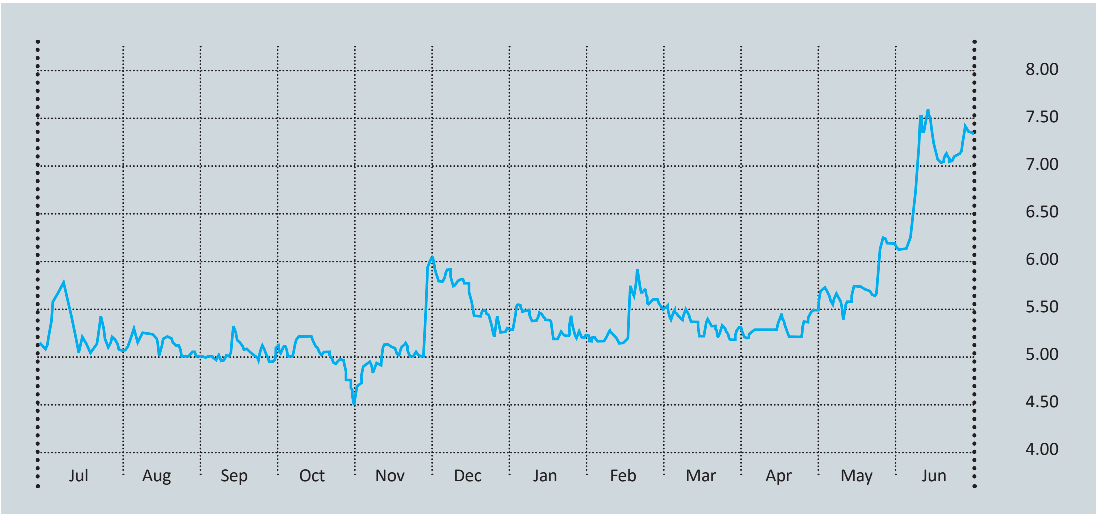
Warburg Research has analyzed the Softing share regularly for years in research reports and has already published four updates on the share by the date of publication in 2021. The most recent update of June 10, 2021 continues to recommend buying the share and confirms the price target of EUR 7.50. Warburg Research considers the effects of the pandemic to be temporary.

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, boersengefluester.de, Börse Online, DER AKTIONÄR, Frankfurter Börsenbrief 24, Nebenwerte Magazin, Plusvisionen, Private Wealth 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 07/01/2020 TO 06/30/2021 (XETRA)



FINANCIAL CALENDAR

August 13, 2021	Interim report Q2/6M 2021
November 15, 2021	Interim management statement Q3/9M 2021
November 22-24, 2021	German Equity Forum in Frankfurt/Main
December 7-8, 2021	Munich Capital Market Conference

Interim Group Management Report for the 2021 Half-Yearly Financial Report

REPORT ON NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

The deterioration and upheaval in economic conditions triggered by the COVID-19 pandemic are clearly subsiding in Softing's most important global markets, although the first half of the year in Germany was still heavily impacted by lockdown until July.

Incoming orders rose from EUR 37.2 million to EUR 48.8 million, almost reaching the pre-crisis figure of EUR 51.1 million reported in 2019. However, it should be noted that the strong order intake in the first half of 2021 will not be recognized as revenue until the final quarter of 2021. One of the reasons for this delay is the crisis in the chip industry.

At EUR 23.5 million, orders on hand at the end of the first six months of 2021 were up almost EUR 3.0 million year-on-year, giving cause for optimism that incoming orders will continue to rise in the second half of the year.

The Group's revenue totaled EUR 39.5 million in the first half of 2021, representing an increase of 10% compared with the same period of the previous year.

Revenue in Softing's largest segment, Industrial, rose by around 7% from EUR 26.1 million to EUR 28.1 million in the first half of the year, with both EBIT and operating EBIT showing significant growth. EBIT increased from EUR 1.0 million to EUR 1.7 million, while operating EBIT improved from EUR 1.3 million to EUR 2.7 million. This is due to the very strong operating results posted by Softing's US subsidiary OLDI and the Italian subsidiary, as well as the recognition of EUR 852 thousand in COVID-19 aid.

The Automotive segment is still under severe pressure due to a conglomeration of crises. The COVID-19 pandemic, the chip crisis and the move away from the internal combustion engine heavily weighed on revenue, causing it to remain flat at the low level of the previous year of EUR 6.7 million. The expansion of business at the subsidiary GlobalmatiX AG is showing positive signs. However, these did not yet lead to significant revenue in the first half of 2021, but promise long-term recurring revenue going forward. Due to the crisis, EBIT fell year-on-year, from EUR –1.8 million to EUR –2.4 million, while operating EBIT contracted from EUR –1.5 million to EUR –1.7 million.

The IT Networks segment was severely affected from the start of the crisis, as contact with customers was virtually impossible. However, IT Networks began showing signs of recovery as early as the second half of 2020. Revenue increased by 55% from EUR 3.0 million to EUR 4.7 million in the first six months of 2021. EBIT rose from EUR –1.0 million to EUR 0.3 million, while operating EBIT improved from EUR –0.9 million to EUR 0.1 million.

The Group's EBITDA rose from EUR 2.1 million to EUR 3.7 million in the first half of the year, with the EBITDA margin increasing from 6% in financial year 2020 to 9.4% in the first half of 2021.

The Group's operating EBIT (EBIT adjusted for capitalized development services and amortization on these as well as effects from purchase price allocation) came to EUR 1.0 million as of June 2021, after negative operating EBIT of EUR –1.0 million in the prior-year period. EBIT rose from EUR –1.8 million to EUR –0.2 million.

The resulting consolidated loss narrowed to EUR –0.2 million after EUR –1.9 million in the first half of 2020. Accordingly, earnings per share were EUR –0.02 in the first half of 2021, compared with EUR –0.21 in the prior-year period.

The Group had cash of EUR 12.5 million as of June 30, 2021, compared with EUR 10.1 million as of December 31, 2020. Cash flow from operating activities after six months totaled EUR 7.9 million after EUR 3.2 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 attacks carried out by cyber criminals. Please refer to the Research and Development section below for information on investments in products. Cash flow from financing activities in the amount of EUR –3.2 million was dominated by this year's payment of the 2020 dividend of EUR 0.4 million and the net repayment of short-term loans of EUR 2.0 million.

Overall, this translates into what remains a stable equity ratio of 61% as of June 30, 2021.

RESEARCH AND PRODUCT DEVELOPMENT

In the first six months of 2021, Softing capitalized a total of EUR 1.4 million after EUR 2.8 million in the previous year for the development of new products and the enhancement of existing ones, both internally and externally. GlobalmatiX AG continued to invest in its future mobile infrastructure. New and improved products in the Industrial and IT Networks segments will be launched in the second half of 2021. Other significant development services and product enhancement measures were expensed.

EMPLOYEES

As of June 30, 2021, the Group had 392 employees (previous year: 400). No stock options were issued to employees in the reporting period.

OPPORTUNITIES AND RISKS FOR THE COMPANY'S FUTURE DEVELOPMENT

As of the reporting date of June 30, 2021, the Company's risk structure has not deviated materially from the description in the consolidated financial statements for the year ended December 31, 2020, particularly with regard to the COVID-19 pandemic. Material changes are also not expected for the remaining six months of 2021. For more detailed information, please also refer to the following statements on the COVID-19 pandemic.

Our aim is to protect the Company, its employees and other stakeholders, to manage risk and thus ensure long-term operations. The following protective measures were introduced for this purpose:

- Making disinfectant available at entrances and in washrooms as well as the building cleaning company regularly disinfecting door handles, desks etc.
- Distributing protective masks to employees
- Keeping business trips and trade fairs to a necessary minimum
- Conducting meetings at a sufficiently safe distance and/or via video conferencing
- Holding the General Shareholders' Meeting virtually without the physical presence of shareholders and shareholder representatives
- Making it possible for employees to work from home by providing laptops and VPN access
- Preparing appropriate working plans for each company
  (Attendance/mobile work/holiday and use of overtime/short-time work)
- Providing rapid tests as required by law and more widely if necessary
- Increasing inventories at Softing and its suppliers to improve reliability of supply

These safety measures will continue to apply to all Softing companies until the end of the pandemic situation in the respective countries.

The commercial risks of the COVID-19 pandemic, including revenue shifts and losses, supply bottlenecks due to the shutdown at customers and suppliers, changes to purchasing behavior during and after the crisis, and customer and supplier losses caused by business closures have been managed using the following packages of measures as required:

- Forecast scenarios based on different models for the economic development of the impact of the pandemic
- Cost savings made by use of overtime and vacation as well as short-time work and general review of purchases and investments
- Additional general cost reductions in other expenses
- Use of government support both in Germany and abroad, such as the option of short-time work in Europe or the Job Support Scheme (JSS) in Singapore
- Risk analysis of the different effects of the pandemic (e.g. spread) and measures (e.g. shutdown, planned economic aid, opening of borders) on various regions and customers by continuously exchanging information with relevant managers

Generally speaking, we are expecting results of operations to improve further in the second half of the year. For information on other risks and opportunities, we refer to the Group Management Report in the 2020 Annual Report, page 10 et seq.

COVID-19 PANDEMIC

In the first half of 2021, the Softing Group has taken advantage of government support measures in the form of temporary short-time work. This form of support has been taken up by all German Group entities at the start of the year. Public grants were provided by public authorities by way of contributions to current expenses during the COVID-19 pandemic. An amount of EUR 246 thousand was deducted directly from personnel expenses. The grants of EUR 852 thousand received for our American subsidiaries are so-called “PPP loans” under the first government support program launched in the USA. Due to an improved economic situation, the Group had assumed at the end of 2020 that it had not fully met the program’s terms and had recognized these grants as a current financial liability. Since our US subsidiaries qualified for this aid upon application in 2021, these grants were deducted directly from personnel expenses.

As of June 30, 2021, the Softing Group has cash and cash equivalents of EUR 12.5 million, current receivables of EUR 9.8 million and agreed but not yet drawn down credit lines of around EUR 7.2 million at its disposal. This means that the Group has up to EUR 29.5 million in near cash funds available at short notice to tackle the crisis.

Discussions held with our main banks at an early stage during the COVID-19 pandemic resulted in a positive signal to enable any necessary funding beyond the short-term near-cash funds outlined above.

There have been no breaches of credit agreements and we have complied with all covenant rules.

Receivables management is being monitored more closely than before the crisis, and 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.

Our planning does not yet include any significant changes in the COVID-19 pandemic for the first half of 2021 – an assumption that has proven to be correct. We continue to expect a stronger recovery in the second half of 2021 and confirm our forecast scenario 1 from the 2020 financial statements. However, another national lockdown may have a negative impact on the outcome and would lead to scenario 2.

Scenario 1: Pandemic subsides and economic support measures are implemented successfully.

At segment level, an increase in revenue of between 10% and 15% and rising EBIT and operating EBIT is expected in all segments except Automotive. This positive trend will be held back slightly by the Automotive segment, for which we expect revenue to stagnate at the prior-year level and both EBIT and operating EBIT to continue to decrease slightly year-on-year.

Overall, the trends described for the segments and the normalization of operating costs lead the Group to expect consolidated EBIT to be in a range of EUR 1.5 million to EUR 3.0 million. The Executive Board expects operating EBIT to rise to between EUR 2.0 million and EUR 3.0 million.

But there is also an emerging risk of component shortages, which increased in the second quarter. Despite the best possible hedging, there is a risk that revenue of up to EUR 5 million may not be achieved this year in spite of urgent demand on the part of our customers. What is more, the lack of availability is curbing the potential for additional revenue growth, since unplanned demand is difficult to meet.

Due to the Group's financial strength, 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, 2021.

GENERAL ACCOUNTING POLICIES

The consolidated financial statements of Softing AG as of December 31, 2020 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, 2021, 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, 2020. In general, the same accounting policies were applied in the interim financial statements as of June 30, 2021 as in the consolidated financial statements for the 2020 financial year. This 2021 half-yearly report was prepared without an auditor's review.

CHANGES IN THE BASIS OF CONSOLIDATION

There were no changes in the basis of consolidation in the first half of 2021.

RESPONSIBILITY STATEMENT

The condensed interim consolidated financial statements for the first half of 2021 were released for publication on August 13, 2021 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 13, 2021
Softing AG

Dr. Wolfgang Trier	Ernst Homolka
Chief Executive Officer	Executive Board member

Consolidated Income Statement

from January 1 to June 30, 2021

EUR thousand	04/01/ – 06/30/2021	04/01/ – 06/30/2020	01/01/ – 06/30/2021	01/01/ – 06/30/2020
Revenue	**19,371**	**15,776**	**39,460**	**35,811**
Other own work capitalized	860	1,303	1,423	1,990
Other operating income	902	243	1,597	492
Operating income	**21,132**	**17,322**	**42,479**	**38,293**
Cost of materials / cost of purchased services	–9,137	–6,862	–17,722	–16,066
Staff costs	–8,009	–7,884	–16,375	–16,162
Depreciation, amortization and impairment losses	–1,976	–1,996	–3,941	–3,974
thereof depreciation / amortization due to purchase price allocation	–395	–514	–789	–1,027
thereof depreciation/amortization due to lease accounting	–310	–329	–622	–664
Other operating expenses	–2,583	–1,732	–4,661	–3,928
Operating expenses	**–21,705**	**–18,473**	**–42,699**	**–40,130**
Profit / loss from operations (EBIT)	**–573**	**–1,151**	**–220**	**–1,837**
Interest income	0	23	1	24
Interest expense	–58	–49	–107	–99
Interest expense from lease accounting	–22	–32	–46	–65
Other finance income/finance costs	–139	–311	483	48
Earnings before income taxes	**–791**	**–1,520**	**111**	**–1,929**
Income taxes	–162	102	–326	–10
Consolidated profit	**–954**	**–1,418**	**–214**	**–1,939**
Consolidated profit attributable to:				
Shareholders of Softing AG	–959	–1,462	–313	–1,997
Non-controlling interests	6	44	99	58
Consolidated profit	**–954**	**–1,418**	**–214**	**–1,939**
Earnings per share (basic = diluted)	–0.11	–0.16	–0.02	–0.21
Average number of shares outstanding (basic)	9,015,381	9,097,579	9,015,381	9,101,480

Consolidated Statement of Comprehensive Income

from January 1 to June 30, 2021

EUR thousand	04/01/ – 06/30/2021	04/01/ – 06/30/2020	01/01/ – 06/30/2021	01/01/ – 06/30/2020
Consolidated profit	**–954**	**–1,418**	**–214**	**–1,939**
Items that will be reclassified to consolidated total comprehensive income:				
Currency translation differences				
Changes in unrealized gains / losses	–497	–385	–20	6
Tax effect	46	78		–23
Total currency translation remeasurements	**–451**	**–308**	**–20**	**–17**
Other comprehensive inco0me	**–451**	**–308**	**–20**	**–17**
Total Consolidated profite for the period	**–1,405**	**–1,725**	**–234**	**–1,956**
Total consolidated comprehensive income for the period attributable to:				
Shareholders of Softing AG	–1,411	–1,725	–334	–1,970
Non-controlling interests	6	–	99	14
Total consolidated comprehensive income for the period	**–1,405**	**–1,725**	**–234**	**–1,956**

Consolidated Segment Reporting

from January 1 to June 30, 2021

EUR thousand	04/01/ – 06/30/2021	04/01/ – 06/30/2020	01/01/ – 06/30/2021	01/01/ – 06/30/2020
Segment – Business Unit				
Automotive				
Revenue	2,975	2,817	6,692	6,677
Segment result (EBITDA)	–862	–544	–656	–365
Depreciation / amortization	846	740	1,695	1,468
Segment result (EBIT)	–1,708	–1,284	–2,351	–1,834
Operating EBIT	–1,621	–1,050	–1,742	–1,457
Segment assets			33,553	37,060
thereof IFRS 16			478	590
Segment liabilities			8,407	9,016
thereof IFRS 16			499	608
Capital expenditure	608	709	950	1,323
Industrial				
Revenue	14,335	11,678	28,100	26,126
Segment result (EBITDA)	1,809	1,305	3,289	2,637
Depreciation / amortization	773	810	1,541	1,612
Segment result (EBIT)	1,037	494	1,748	1,024
Operating EBIT	1,624	281	2,741	1,277
Segment assets			45,281	46,036
thereof IFRS 16			801	1,202
Segment liabilities			11,280	11,472
thereof IFRS 16			858	1,251
Capital expenditure	31	910	366	1,174
IT Networks				
Revenue	2,060	1,281	4,668	3,008
Segment result (EBITDA)	241	–121	665	–541
Depreciation / amortization	142	244	282	486
Segment result (EBIT)	99	–365	383	–1,028
Operating EBIT	–35	–292	138	–875
Segment assets			14,537	13,271
thereof IFRS 16			115	272
Segment liabilities			1,165	1,086
thereof IFRS 16			121	272
Capital expenditure	276	328	686	783

EUR thousand	04/01/ – 06/30/2021	04/01/ – 06/30/2020	01/01/ – 06/30/2021	01/01/ – 06/30/2020
Not allocated				
Revenue	0	0	0	0
Segment result (EBITDA)	216	202	422	407
Depreciation / amortization	216	202	422	407
Segment result (EBIT)	0	0	0	0
Operating EBIT	0	0	0	0
Segment assets			9,009	11,971
thereof IFRS 16			685	1,071
Segment liabilities			19,156	19,572
thereof IFRS 16			753	1,100
Capital expenditure	238	27	415	85
Total				
Revenue	19,371	15,776	39,460	35,811
Segment result (EBITDA)	1,403	845	3,721	2,137
Depreciation / amortization	1,976	1,996	3,941	3,974
Segment result (EBIT)	–573	–1,151	–220	–1,837
Operating EBIT	–33	–1,061	1,137	–1,053
Segment assets			102,379	108,335
thereof IFRS 16			2,080	3,133
Segment liabilities			40,008	41,148
thereof IFRS 16			2,231	3,232
Capital expenditure	1,152	1,974	2,416	3,365
Segment – Geographical				
Revenue				
Germany	5,161	4,889	10,758	10,601
USA	7,991	7,381	16,704	15,805
Rest of the world	6,218	3,505	11,997	9,404
Total	19,371	15,776	39,460	35,811
Fixed assets				
Germany	–746	213	26,508	31,402
USA	–510	–720	17,924	20,206
Rest of the world	234	–31	18,528	18,040
Total	–1,021	–537	62,960	69,648
Additions to fixed assets				
Germany	571	1,615	1,512	2,691
USA	12	29	16	66
Rest of the world	569	330	888	609
Total	1,152	1,974	2,416	3,365

Consolidated Statement of Financial Position

as of June 30, 2021

Assets	06/30/2021 EUR (in thsds.)	12/31/2020 EUR (in thsds.)
Non-current assets		
Goodwill	17,720	17,500
Other intangible assets	38,635	39,324
Other financial assets	1,500	1,500
Property, plant and equipment	5,105	5,506
Deferred tax assets	792	516
Non-current assets, total	**63,752**	**64,346**
Current assets		
Inventories	13,326	13,671
Trade receivables	9,818	14,321
Current financial assets	52	839
Contract assets	841	442
Current income tax assets	392	556
Cash and cash equivalents	12,536	10,166
Current assets	1,662	850
Current assets, total	**38,627**	**40,845**
Total assets	**102,379**	**105,191**

Equity and liabilities	06/30/2021 EUR (in thsds.)	12/31/2020 EUR (in thsds.)
Equity		
Subscribed capital	9,105	9,105
Capital reserves	31,111	31,111
Treasury Shares	–485	–485
Retained earnings	22,156	22,850
Equity attributable to shareholders of Softing AG	61,887	62,581
Non-controlling interests	534	429
Equity, total	**62,421**	**63,010**
Non-current liabilities		
Pensions	2,953	3,060
Long-term borrowings	10,850	12,256
Other non-current financial liabilities	1,263	1,519
Deferred tax liabilities	4,539	4,336
Non-current liabilities, total	**19,605**	**21,171**
Current liabilities		
Trade payables	4,583	5,999
Contract liabilities	4,092	2,717
Provisions	96	103
Income tax liabilities	456	305
Short-term borrowings	4,018	4,678
Other current financial liabilities	6,301	6,120
Current non-financial liabilities	807	1,088
Current liabilities, total	**20,353**	**21,010**
Total equity and liabilities	**102,379**	**105,191**

Consolidated Statement of Changes in Equity

from January 1 to June 30, 2021

	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, 2021	**9,105**	**31,111**	**–485**	**23,577**	**–2,029**	**1,301**	**22,850**	**62,581**	**429**	**63,010**
Consolidated profit 2021				–313			–313	–313	99	–214
Other comprehensive income 2021					0	–20	–20	–20	0	–20
of which from remeasurements					0		0	0		0
of which currency translation						–20	–20	–20		–20
of which tax effect					0	0	0	0		0
Total consolidated comprehensive income for the period				**–313**	**0**	**–20**	**–334**	**–334**	**99**	**–235**
Dividend payment				–361			–361	–361		–361
Purchase of own shares				0			0	0		0
Changes in minority interests							0	0	6	6
Transactions with owners in their capacity as owners				**–361**			**–361**	**–361**	**6**	**–354**
Balance as of June 30, 2020	**9,105**	**31,111**	**–485**	**22,903**	**–2,029**	**1,281**	**22,156**	**61,887**	**534**	**62,421**

	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, 2019	**9,105**	**31,111**	**0**	**28,679**	**–2,013**	**2,452**	**29,119**	**69,335**	**269**	**69,604**
Consolidated profit 2019				–4,738			–4,738	–4,738	157	–4,581
Other comprehensive income 2019					–16	–1,151	–1,167	–1,167		–1,167
of which from remeasurements					–22		–22	–22		–22
of which currency translation						–1,128	–1,128	–1,128		–1,128
of which tax effect					6	–23	–17	–17		–17
Total consolidated comprehensive income for the period				**–4,738**	**–16**	**–1,151**	**–5,905**	**–5,905**	**157**	**–5,748**
Dividend payment				–364			–364	–364		–364
Changes in minority interests			–485					–485		–485
Transactions with owners in their capacity as owners									**3**	**3**
Balance as of December 31, 2020				–364			–364	–849	3	–846
Balance as of December 31, 2020	**9,105**	**31,111**	**–485**	**23,577**	**–2,029**	**1,301**	**22,850**	**62,581**	**429**	**63,010**

Consolidated Statement of Cash Flows

from January 1 to June 30, 2021

EUR thousand	01/01/ – 06/30/2020	01/01/ – 06/30/2019
Cash flows from operating activities		
Profit (before tax)	111	–1,929
Depreciation, amortization and impairment losses on fixed assets	3,941	3,974
Other non-cash changes	–257	–78
Cash flows for the period	**3,795**	**1,967**
Interest income / Finance income	–484	–24
Interest expense / Finance costs	153	164
Change in other and accrued liabilities	–7	–56
Change in inventories	345	–1,077
Change in trade receivables	4,102	6,254
Changes in financial receivables and other assets	–138	–199
Change in trade payables	–1,418	–3,151
Changes in financial and non-financial liabilities and other liabilities	1,709	–876
Interest received / Finance income	1	24
Income taxes received	164	166
Income taxes paid	–291	0
Cash flows from operating activities	**7,931**	**3,192**
Cash payments for investments in non-current assets	–997	–529
Cash paid for investments in new internal/external product developments	–1,419	–2,835
Cash paid for investments in internally generated intangible assets	0	–1,500
Cash flows from investing activities	**–2,416**	**–4,864**
Cash paid for dividends	–361	–364
Repayment of lease liabilities	–645	–701
Cash received from short-term bank line	701	434
Cash paid for purchase of own shares	0	–99
Cash repayment of bank loans	–2,762	–541
Interest from lease accounting	–46	–65
Other interest paid	–107	–99
Total interest paid	–153	–164
Cash flows from financing activities	**–3,220**	**–1,435**
Net change in funds	2,295	–3,107
Effects of exchange rate changes on cash and cash equivalents	72	7
Cash and cash equivalents at the beginning of the period	10,166	14,917
Cash and cash equivalents at the end of the period	**12,533**	**11,817**

Directors’ Holdings

Boards	Number of shares		Number of options	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Supervisory Board				
Dr. Horst Schiessl (chairman), attorney at law, Munich	–	–	–	–
Dr. Klaus Fuchs (member), graduate computer scientist / graduate engineer, Helfant	278,820	278,820	–	–
Andreas Kratzer (member), certified public accountant, Zurich, Switzerland	10,155	10,155	–	–
Executive Board				
Dr.-Ing. Dr. rer. oec. Wolfgang Trier, Munich	163,234	163,234	–	–
Ernst Homolka, Munich	9,400	5,900	–	–

Softing AG
Richard-Reitzner-Allee 6
85540 Haar/Germany

Phone +49 89 4 56 56-0
Fax +49 89 4 56 56-399
investorrelations@softing.com
www.softing.com