



H1 Interim Report 2021

Simply Retail.



Summary of Consolidated Results

		30.6.2021	30.6.2020	31.12.2020	2021/2020 changes
					in %
Turnover	EUR K	64,363	56,161	117,560	14.6
Operating performance	EUR K	64,363	56,295	118,391	14.3
Total operating revenue	EUR K	69,408	58,038	122,688	19.6
EBIT	EUR K	11,790	1,957	10,535	>250
EBIT margin (on turnover)	%	18.3	3.5	9.0	—
EBITDA	EUR K	15,628	6,235	19,078	150.6
EBITDA margin (on turnover)	%	24.3	11.1	16.2	—
EBT	EUR K	11,172	972	9,090	>250
Annual net profit/loss	EUR K	9,261	(133)	6,266	—
Earnings per share (weighted)	EUR	4.34	(0.08)	3.04	—
Earnings per share (diluted)	EUR	4.08	(0.08)	3.00	—
Equity ratio	%	55.8	40.1	44.0	—
Net debt	EUR K	(33,504)	539	243	<(250)
Employees		1,094	1,155	1,162	(5.3)

Dear readers,

We are presenting this H1 Interim Report to you in a new screen-optimised layout for the first time. The purpose of this is to adapt the document to changes in digital reading and usage habits. Our goal is to make it as simple as possible for you to navigate your way through the Report.

Despite optimising the Report to be read on a screen, we have, of course, made sure that the document can still be printed.

We hope that these changes make it easier for you to read our Annual Report.

☰ Go to main table of contents

🔍 Search in document

◀ Go forward a page

▶ Go back a page

◀ Go to previous view

▶ Go to next view

📅 Go to financial calendar

4	To the shareholders	15	Consolidated Interim Management Report	37	Consolidated Interim Report
5	Letter from the Management Board	16	Consolidated Interim Management Report	38	Consolidated Balance Sheet
8	GK Software SE Shares	16	The Company's Business Model	39	Consolidated statement of income and accumulated earnings
8	Basic data	21	Economic report	40	Consolidated Cash Flow Statement
8	Summary/share performance	22	Explanation of the business results and an analysis of the assets, financial and earnings situation	41	Consolidated statement of changes in equity
8	Number of shares issued	29	Report on the Risks and Opportunities for the GK Software Group	42	Notes on the Consolidated Accounts
8	Shareholder structure	29	Overall risk position	42	1. Principles of Reporting
9	Directors' dealings in 2021	31	Internal monitoring and risk management systems with regard to the Group's accounting process	42	2. Segment Reporting
9	Investor relations	32	Risk reporting in relation to the use of financial instruments	44	3. Accounting Methods
10	Products and Services	33	Forecast report	44	4. Notes on the Consolidated Balance Sheet
14	New customer acquisition in the first half of 2021	35	Company outlook	44	5. Notes on the Consolidated Profit and Loss Statement
		36	General statement for 2021	44	6. Notes on the Cash Flow Statement
				44	7. Items Not Entered
				45	8. Other Information
				46	Guarantee by the Legal Representatives
				47	Financial Calendar
				48	Legal Notice

To the shareholders

- 5 Letter from the Management Board
- 8 GK Software SE Shares
 - 8 Basic data
 - 8 Summary/share performance
 - 8 Number of shares issued
 - 8 Shareholder structure
- 9 Directors' dealings in 2021
- 9 Investor relations
- 10 Products and Services
- 14 New customer acquisition in the first half of 2021

Rainer Gläss
Chief Executive Officer



Letter from the Management Board

Dear shareholders,

We can report a very successful second quarter of the 2021 fiscal year, in which we were not only able to continue the trend of the 2020 fiscal year, but even accelerate it further. This trend relates to both the turnover of the GK Software Group¹ and its profitability, which continued to rise. Overall, turnover during the first six months of the year rose by 14.60% to a figure of EUR 64.36 million (H1 2020: EUR 56.16 million). This was due to very strong business with our existing customers and very successful new sales, as well as an extraordinary contribution in the form of proceeds of EUR 2.75 million from the sale of AWEK microdata. EBITDA improved as a result from EUR 6.24 million in the same period in the previous year to a figure of EUR 15.63 million now. These figures resulted in EBIT, which, at EUR 11.79 million in the first half of the year, were almost six times as high as the same period in the previous year (H1 2020: EUR 1.96 million). The operating EBIT margin adjusted for the other income from the AWEK-microdata sale was 14.0 percent (18.32 percent including one-off effects). This means that our positive development has continued unchanged for several quarters now and underpins the fact that our intensive measures to increase efficiency and safeguard earnings continue to have an effect and at the same time we were also able to very successfully pursue our sales operations, in part owing to the measures taken

¹ The expression GK Software always refers to the corporate Group in the following text. "The Company" is also used as a synonym. When GK Software SE is used, it exclusively refers to the individual company.

against the global pandemic which are slowly taking effect.

In the first half of the year, we were able to win six new customers for our CLOUD4RETAIL core business. This includes a major contract in South Africa, and a project contract with an East European petroleum company, which could lay the foundation for another significant licensing business. In Germany, we were able to win a major mobile service provider over with our solutions, and two further customers come from Mexico. And at least two of these six customers will use CLOUD4RETAIL in a software-as-a-service offering. This demonstrates the continuing constant trend towards the cloud. Overall, these contracts will result in 3,700 more local stores being equipped with our solutions after the roll-out is completed – a number that is likely to increase significantly again if the project in Eastern Europe is successful. We also have further potential in the pipeline for the second half of the year. It is apparent that the new reality of a heavily virtualised sales business has met with widespread acceptance among all parties concerned and, as a result, the number of on-site visits has been significantly reduced. Even during the pandemic, a great many of the major retailers continued to develop their existing systems, whereby – naturally – industry sectors that were not affected by lockdowns made greater progress than the remaining sectors.

Since the start of the second quarter, Deutsche Fiskal has speeded up its systems as a large number of cus-

tomers have adopted fiscalisation. Yet there are still retailers who have not introduced any fiscalisation solutions due to exemptions. In the meantime, a total of 26 operating systems, which cover the major installations on the market, have been certified, and certification of the first native Android solution on the market is expected in the near future. In the second quarter, therefore, Deutsche Fiskal contributed to the Group result for the first time with cloud sales to the expected amount. Currently, around 160,000 till systems are supported with the Fiskal Cloud, recording up to 80 million transactions daily according to the detailed requirements of the German tax administration, and the number of supported systems continues to grow.

We also acquired the first customers for our lean, retailer- and provider-accessible solution eMailBon, which was only developed in the second half of 2020. This solution is currently being rolled out for one of Germany's top retailers. Also in the AIR (Artificial Intelligence for Retail) sector, several existing customers introduced AIR solutions or are in the process of doing so, and one new customer also opted for an AIR product.

All these sales successes have led to the exceptionally strong turnover figure for the first half of 2021. At the same time, the ongoing measures of our efficiency programme have meant that this increase in turnover has also benefited the earnings, so that we can also report

a strong result in this regard for the first half of the year.

In the reporting period, our long-term, trusting partnership with SAP also continued to prove successful. We also partnered with IBM in order to establish ourselves even better in the cloud environment and to tap any additional sales potential. As part of this global alliance, CLOUD4RETAIL will now also be available in the IBM cloud. In addition, a joint go-to-market strategy was agreed, which enables IBM Global Services to provide solutions and offers for retailers. We are expecting global improvement in terms of our reach and visibility due to our partnerships with SAP, Microsoft and IBM as well as other innovation partnerships.

Another significant event in the first half of the year was the sale of AWEK microdata, developer of the euro-SUITE solution, to the Zucchetti Group in Lodi, Italy, for a figure in the mid single-digit million range. We made this decision in view of our plan to focus more strongly on our cloud solutions, CLOUD4RETAIL and retail7. In the 2020 fiscal year, AWEK microdata generated less than five percent of the Group's revenue and had 41 employees in Hamburg and Bielefeld.

At the end of March 2021, we successfully placed a capital increase. In this context, investors subscribed for a total of 180,000 new shares, at a placement price of EUR 105.75 per share, through ICF BANK AG. This equates to gross proceeds from the issue of EUR 19,035,000.00, which were entered on the books at the start of the second quarter. This further strengthened the Company's liquidity. In order to meet the high

demand, Mr Rainer Gläß also sold shares, which has now increased the free float to 54.83%.

In the area of product research and development, we opened up a new range of products in starting the development of GK SPOT (Single Point of Truth). GK SPOT combines the options for big data in the cloud with the specific requirements of the retail industry and will create a new benchmark for quality in the real-time evaluation and use of data. It forms the basis for new ways to interact with the customers as well as a wide range of related processes. As a result, retailers should be able to obtain real-time information from the entire company and, with the help of streaming analytics and artificial intelligence, use this information to react to the behaviour of each individual customer promptly and without delay.

We have continued to pursue the strategy of making more focused investments in research and development. GK SPOT, our new big-data platform, and our applications for Scan & Go, frictionless self-checkouts and unattended stores have therefore been at the centre of these activities over recent months. In terms of new shopping options for consumers, our Scan & Go technology is already a key component in a number of customer projects, one of which is already being rolled out in the local stores of one of Germany's top retailers: Customers scan their items using an app, pay via their phones and no longer have to visit the checkout. We are also actively working on implementing completely unattended store concepts. Apart from these core issues, we are continuing to expand our CLOUD4RETAIL platform and, for example, were able to

successfully complete the go-live of our solution for the catering industry with Manufactum.

The number of installations of various versions of our solutions rose to a current figure of 349,000¹. In addition, there are the installations for the other solutions that are made available by our corporate Group. The apps available in the Mobile Customer Assistant field have been downloaded by more than 4 million consumers in all, for example. The TransAction+ solution manages the electronic payment transactions on about 100,000 terminals in the USA and the Real-Time Decision Engine/AIR, developed by prudsys AG and based on artificial intelligence, is being used by about 100 customers. As in previous years, we were able to enhance our business relations with almost all our existing GK/Retail customers, as our customers are permanently adapting their solutions to new requirements. Roll-outs in current projects and in new countries as well as the launch of pilot schemes all contribute to the growth in the number of installations.

We are confident about the further course of the 2021 fiscal year and assume that we will be able to achieve or exceed the targets set in our last annual report. We are continuing to successfully pursue sales operations under the changed circumstances, and are holding in-depth discussions with potential customers from Germany and abroad. However, it is still uncertain whether current invitations to tender will be concluded according to schedule under current conditions and

¹ Owing to the sale of AWEK microdata, installations were eliminated in the reporting period, so that the absolute increase compared to the value at the end of the 2020 fiscal year is lower.

Letter from the Management Board

whether further growth momentum will come from our existing business as before or whether decision-making processes will be delayed in the longer term as a result of circumstances.

Following the extremely successful first six months and with good prospects for the third quarter, we are also standing by our medium-term forecast up to 2023 as stated in the 2020 Annual Report.

We are delighted that you are supporting GK Software SE and its pathway of growth and we would like to thank you for placing your ongoing trust in the Company.

Schönebeck, 26 August 2021

The Management Board



Rainer Gläss
Chief Executive Officer



André Hergert
Chief Financial Officer

GK Software SE Shares

Basic data

T.01 Basic data

Securities Identification Number (WKN)	757142
ISIN	DE0007571424
Trading symbol	GKS
GK Software AG IPO	19 June 2008
Type of shares	Ordinary stock in the name of the holder without any nominal value (individual share certificates)
Trading markets	Frankfurt and XETRA
Market segment	Regulated Market (Prime Standard)
Designated sponsor	ICF Bank AG
Number of shares	2,245,825
Share capital	EUR 2,245,825.00
Free float	54.81
Highest price in 2021	EUR 148.00 (29 June 2021)
Lowest price in 2021	EUR 96.80 (5 January 2021)

Summary/share performance

In the first half of 2021, GK Software SE shares, which are listed in the Prime Standard of the Frankfurt Stock Exchange, continued the growth trend of the previous year and at the end of the reporting period were trading significantly above the value at the beginning of January. The shares were worth EUR 146.00 on 30 June. This corresponded to market capitalisation of EUR 327.89 million at the end of the first half of 2021.

F.01 Share performance of GK Software SE in the 1st half of 2021



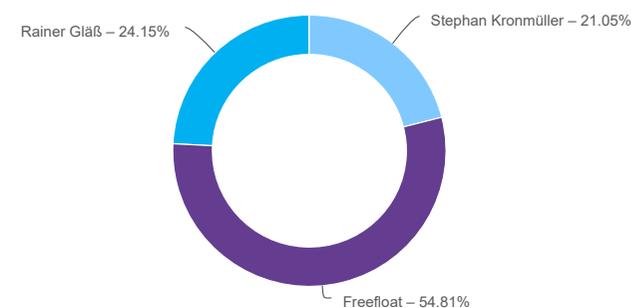
Number of shares issued

On 30 June 2021, the total number of voting rights was 2,245,825 shares at the end of the reporting period.

At the time this report was published, the total number of voting rights was 2,247,275 shares.¹

Shareholder structure

F.02 Shareholder structure on 30 June 2021



¹ The calculation of the free float and the shares held by members of the Management Board reflects the total number of voting rights on the date on which the report was published. Information about shareholders' major holdings of voting rights are consistent with the last received report in this respect.

GK Software SE has an extremely stable shareholder base and this is enabling the Company to achieve long-term and sustained development.

The shareholder structure on the reporting date (30 June 2021) was as follows, according to the information made available to us:

Rainer Gläss, a company founder and the CEO, directly and indirectly held 24.15 percent of the shares. Stephan Kronmüller, also a company founder and former member of the Management Board, directly and indirectly held 21.05 percent of shares. This meant that 54.81 percent of the shares were in free float on 30 June 2021.

The Company was informed about the following holdings in GK Software SE, which exceeded or did not meet the threshold of 3 percent:

T.02 Amounts exceeding/falling below the threshold value

Date	Shareholder	Proportion in %
7.4.2021	Scherzer & Co. AG, Cologne	2.98
12.8.2021	Wilhelm K. T. Zours (of which, among others, Deutsche Balaton Aktiengesellschaft, Heidelberg with 3.18%)	2.98

Directors' dealings in 2021

T.03 Directors Dealings

Date	Person trading	Position	Activity	Volume Quantity	
				EUR	
26.3.2021	Rainer Gläss	Management Board	Sale	6,345,000.00	60,000
4.2.2021	André Hergert	Management Board	Sale	77,514.75	733
27.1.2021	André Hergert	Management Board	Purchase	528,750.00	5,000

Investor relations

GK Software deliberately chose to have its shares listed in the most stringently regulated sector at Deutsche Börse, the Prime Standard, for its flotation in the summer of 2008. The highest possible degree of transparency towards its investors and all the other participants in the capital markets has been one of the most important Company principles from the outset.

André Hergert, the CFO, is responsible for investor relations, which has been assigned its own department under the leadership of Dr René Schiller. This guarantees that any enquiries from investors and potential investors are answered immediately.

GK Software also attaches great importance to providing a continual flow of information for the future. Among other things, this involves the completion of quarterly reports and extensive half-yearly and annual

reports in German and English, a finance calendar, compulsory announcements, which have to be published immediately, and corporate news items. The accounting system has been adapted to the international IFRS accounting standards and also meets investors' requirements for information. As in previous years, GK Software will hold its analysts' conference during the Frankfurt Equity Capital Forum in 2021 again. Investor and press roadshows also take place at regular intervals, so that the Company remains in permanent contact with the capital markets.

Products and Services

The CLOUD4RETAIL platform

The CLOUD4RETAIL platform is the technological basis for the major share of GK Software's solutions. All solutions based on this cloud platform adhere to identical development paradigms and a comprehensive framework. The purpose of this is to enable software components to be used multiple times and resources to be shifted quickly between the various modules based on the [platform](#). CLOUD4RETAIL's main goal is to further reduce the complexity of the various retail processes by way of a suitable platform solution and create solutions that remain operable and manageable for the users despite growing demands, particularly from consumers. The Company's slogan "Simply Retail" takes this into account. This is why the Company has made such significant investments during the last few years in order to enable the process of digital transformation with specific solutions. This has meant that significant parts of the range of solutions have been newly developed in order to safeguard the [future viability](#) of the GK range of solutions for years to come and not just rely on the status quo. The results of this fundamental management decision were not as clearly evident at first glance as, for example, the switch from DOS to Java. However, if we consider the resulting effect, the expenditure associated with it and the dimension of this change in general terms, the step that has been taken in the field of software development is probably much bigger as it gives digitalisation a powerful boost and leads to large parts of the corporate IT being transformed into the cloud.

One unique feature of the CLOUD4RETAIL platform of solutions is the use of [artificial intelligence](#) to optimise decision processes involving large amounts of data. Using AIR (Artificial Intelligence for Retail), GK Software has developed the first specifically retail-oriented services based on artificial intelligence in order to optimise retail processes. This is based on a self-developed AI solution, which uses processes such as machine learning and other AI methods to analyse even large amounts of data in real time and generate recommended courses of action.

The CLOUD4RETAIL platform is not geared to any individual retail segment, but is equally [\(not industry specific\)](#) suitable for [all formats and segments in the retail sector](#), ranging from small shops to department stores, from food retailers to fashion and even specialist retailers.

The architecture of the platform has been designed to be used not only with a particular type or class of device ([device independence](#)). The underlying open client concept ensures that nearly all standard devices can be used on the basis of the same cloud-enabled services. They include mobile and stationary checkouts using very different hardware, scales, self-checkouts, self-scanning devices, mobile data logging devices for employees, tablets and, not least, the wide variety of consumer smartphones.

The CLOUD4RETAIL platform has been designed for use in very large and widespread branch networks. It is

[critical for the retail business](#) to be able to ensure that the daily operations involving thousands of devices and the central services associated with these are not disrupted ([scalable](#)). Retailers operating internationally are faced with the additional challenge of meeting the legal and fiscal requirements that apply in each country ([internationalised for more than 60 countries](#)). Due to this complexity, only a few providers worldwide are able to implement large international investment projects.

Elements of the CLOUD4RETAIL platform

Three essential elements form the basis of the CLOUD4RETAIL platform. The first element is the GK/Retail range of solutions, which focuses on the retailers' processes ranging from the local branch to the headquarters and the extensive omni-channel features. The second element is the Mobile Consumer Cloud, which is geared towards processes performed and initiated by the customer. The third segment involves power apps, which can be made available to all retailers independent of the other elements and cover special requirements.

GK/Retail as a transaction processor for the retail industry

Starting in 2015, a fundamental new development in the range of GK solutions was launched. The first new solution that emerged from these investments was OmniPOS (POS = point of sale). The experience gained

from this and the basic groundwork carried out on it formed the basis for the CLOUD4RETAIL solution platform. At the time of its official launch in 2016, OmniPOS was therefore far better than the preceding solution GK/Retail POS (version 12), which was already being used by most customers at that time. The idea of the fundamental architecture behind OmniPOS was to enable all functions to be used in both a modular and distributed way, both with and without user interfaces. Each function must be usable as a central service, but also as a local instance and be secure across network boundaries. At the same time, the central services must be able to handle the simultaneous operation of very many clients at a data centre or in a (private) cloud. This is the only way of guaranteeing operations at thousands of checkouts, calculating prices at a web shop or safeguarding communications with a huge number of customer devices, all at the same time.

The CLOUD4RETAIL platform has not only made it possible for GK Software to provide the first major enterprise-store solution entirely in the cloud, but also allows it to continue to make customised adjustments to the software at the same time. These specific characteristics for each individual retail company are just part of the industry-specific necessities being called for.

The elements of the GK/Retail range of solutions include various components such as the comprehensive omni-channel solution package OmniPOS and the data supply/removal infrastructure for large branch networks associated with it. Also included are other device-specific components, components that con-

centrate on certain functions such as OmniScale or Label&Poster Print, and special industry models, such as GK Drive and GK Hospitality.

With retail7, the Company offers a completely new cloud product for small retailers and restaurateurs; this can be purchased on app stores and is offered purely as an SaaS product.

The Mobile Consumer Cloud

The Mobile Consumer Cloud is another element of the CLOUD4RETAIL platform. This combines all of the solutions that think processes from the perspective of the (mobile) customers and place these at the head of the process chain. The Mobile Consumer Cloud was based on the Mobile Consumer Assistant (MCA), which is used modularly depending on the customer's needs. Over the past years, investments have been made in the further development of the solution, allowing us to offer an extensive range of self-scanning and buy online / pick-up in store (BOPIS) products as well as other mobile application scenarios. The Mobile Consumer Cloud follows a framework approach. Retailers can use the framework and other components and integrate them into their existing apps so that they can offer self-scanning and self-payment options to consumers straight on their smartphones, for example. The Mobile Consumer Cloud works together seamlessly with the modules of the GK/Retail range of solutions, significantly increasing its added value and thus its competitive ability.

Power apps

Power apps form the third segment of the CLOUD4RETAIL platform. They share the same technological basis as the GK/Retail range of solutions and the Mobile Consumer Cloud, but can be used completely as stand-alones. Each power app is geared towards a specific retail-related topic. The main solutions are currently being used in the Deutsche Fiskal and AIR segments. All power apps are usually available as cloud solutions only in a Software-as-a-Service form.

Deutsche Fiskal

GK Software has been developing a solution to meet the new tax requirements that can be summarised under the heading of "German fiscalisation of till systems" since the end of March 2019 and has put this successfully on the market through its subsidiary, DF Deutsche Fiskal GmbH. GK Software is not only providing a cloud solution for customers of the corporate group, but for all operators of till systems through Deutsche Fiskal. As the requirements in Germany in terms of cryptography and the security architecture are more complex than in any other EU member state, an exclusive partnership has been established with the Bundesdruckerei (Federal Printing Office). This cooperation resulted in the development of the cloud solution by Deutsche Fiskal, while Bundesdruckerei is making the certified technical security facilities available and is hosting them at its high-security data centre. GK Software has pooled its activities related to German fiscalisation in its subsidiary known as "DF Deutsche Fiskal GmbH".

As a result of the tight timetables and the pressure on the companies involved, an order was published which instructed the tax authorities not to challenge any infringements against the law with regard to fiscalisation before 30 September 2020. In the spring of 2020, 15 federal states decided to extend the non-application rule until 31 March 2021 under certain conditions. This solution was able to be provided in a fully functional form to customers for test purposes as early as 1 April 2020. The system has been in regular operation since the beginning of November 2020 and has been certified. Since 1 April 2021, most customers have activated their till and register systems. Transactions in the high double-digit million range are made every day in real time.

AIR – Artificial Intelligence for Retail

In the AIR – Artificial Intelligence for Retail segment, GK Software provides services based on artificial intelligence, each of which focuses on specific retail processes. Retailers can automatically introduce many processes by using AIR – ranging from dynamic pricing to personalisation and even fraud detection – on the basis of machine learning and other AI methods. The major solutions in this segment concentrate on dynamic pricing and personalisation/recommendations.

The AIR | Dynamic Pricing module determines the fair market value for each product at any time. The AI service reduces the workload for management, optimises the price strategy and makes the best pricing decisions for the product range taking into account the respec-

tive targets (for example, increased turnover or a higher margin). A number of factors are included such as competition, costs, product relationships, relationships between the various price categories and price sensitivity.

The aim of the real-time solution AIR | Personalisation is to address customers' current needs at any time by offering intelligent recommendations. Personalisation can be offered at a different place each time – it may be on a website, a smartphone or a printed invoice in a parcel. The goal is to offer the customer a personal, relevant and positive shopping experience along each step of their customer journey,

eMailBon.de

Another power app has emerged in the retail7 segment. The slimline solution for all retailers makes it possible to issue completely digital receipts, saving cost and reducing environmental waste.

GK Software solutions under the SAP brand

SAP is also selling almost the entire portfolio related to the CLOUD4RETAIL platform with identical features using the SAP Omnichannel Point-of-Sale by GK, SAP Mobile Consumer Assistant by GK, SAP Store Inventory Management by GK, SAP Pricing by GK and SAP Frictionless Checkout by GK product names.

Ongoing product development

In 2021, investments were made in the further development of CLOUD4RETAIL and the associated services of the GK/Retail range of solutions as well as in the Mobile Consumer Cloud and the power apps. The solutions sold by SAP have once again successfully completed the premium qualification process. New products and functions are checked by SAP as part of this kind of product test and in each case the current version is approved for sale. GetMyGoods has also been developed as a BOPIS solution (buy online pick-up in store) and made available in the market. "emailbon" has given the market a slim solution to prevent the printing of paper receipts. In the Deutsche Fiskal segment, the Fiskal Cloud solution was adapted to meet the new changes in requirements dictated by the BSI (Federal Office for Information Security) and the Fiskal Cloud Archiv solution was developed.

Other solutions in the portfolio

Payment services

In the field of payment services, GK Software, in our view, offers a market-leading solution for handling payments in the USA in the form of TransAction+ and it is able to integrate a large number of point-of-sale systems and a large range of payment authorisation providers. It meets the highest data protection standards and supports credit and debit cards and gift vouchers, "electronic benefits" as well as handling cheque authorisation and accounting for payment providers in the USA. The software controls the payment devices in the branches and makes it possible for retailers to

significantly reduce their costs. The transition to cloud technology is currently in progress, meaning that this solution will become a power app in future.

The SQRS software package

When acquiring the assets of the former company Solquest GmbH, its range of solutions, Solquest Retail Solutions (SQRS), was also taken over and is still being used by one customer.

Developing and adapting software

In addition to its products, GK Software also provides comprehensive software services. The most important component in this context involves customising and adapting software developments during the initial projects and subsequently introducing change requests, which are a permanent feature of most projects. They include, for example, adapting software that is already in productive use to broader customer requirements, such as integrating new bonus systems in the check-out environment. Classic issues like consulting, project management or training courses come under the heading of developing and adapting software too.

Maintenance and services

In addition to software maintenance that is subject to charges, where the aim is to eliminate errors and faults, GK Software offers other services to the retail trade. A customer care management department has been established as part of focusing the Company's software service portfolio; it supports existing customers in a

wide variety of tasks related to operating and adapting the solutions that they use. A special services department has also been made available to customers to help them continually optimise their productive applications and the way that they interact.

Partner training

The GK Academy is responsible for qualifying implementation partners and customer employees as well as training GK Software workers. In the first half of 2021, the Group also trained implementation partners, who are then able to introduce CLOUD4RETAIL on their own.

New customer acquisition in the first half of 2021

GK Software and its subsidiaries oversee a total of more than 400 customers. A distinction must be made between projects that apply the core solution, which run today under CLOUD4RETAIL, and were primarily sold under the name OmniPOS or GK 12 until 2019. This segment also includes projects that were sold by SAP under the SAP brand, but in most cases are still implemented and overseen by GK Software. The core solutions segment covers all major and long-term projects. Overall, i.e., not only directly, but also in cooperation with SAP, GK Software oversees in this segment 115 mainly large and medium-sized customers on all continents and in many different branches of industry. SAP also sells a central solution for pricing and promotion, which was developed by GK, directly and solely under its own brand. Taking into account this pricing engine, SAP and GK Software share more than 140 customers.

Other customers are being supported by prudsys, the US company and Deutsche Fiskal. The AI solutions offered by prudsys and the US company's payment solution TransAction+ are each being used by more than 50 customers. Some of the solutions offered by Deutsche Fiskal are being used by the same customers that use the core solutions. Many other retailers and partners have opted to use them as well. We achieved further sales successes with eMailBon.de, our solution for digital receipts.

The majority of the Company's customers are retailers, with a focus on large, internationally leading compa-

nies. Of the Global TOP 50 retailers alone, GK Software counts 12 among its customers.

In the reporting period, the Group won five new projects for CLOUD4RETAIL, one new customer for prudsys, two existing customers for eMailBon.de and a three-digit number of new customers for Deutsche Fiskal.

In most cases, the name of the customer is to be kept secret until the roll-out is completed. Below is a selection of the new projects won in the first half of 2021:

- Africa's leading retailer (more than 2800 stores in 14 countries in South Africa)
- Leading petroleum company - development contract (more than 5000 locations in over 15 countries)
- Leading mobile service provider (just under 620 stores in Germany)
- Food retailer (more than 200 stores in Mexico)
- Hardware store operator (around 30 stores in Mexico)
- Tools & consumables provider (AIR | Personalisation)

- Leading German retailer (eMailBon.de)

Besides the new projects, revenue was generated in most of the ongoing projects through the platform or smart extensions.

Consolidated Interim Man-

- 16 Consolidated Interim Management Report
- 16 The Company's Business Model
- 21 Economic report
- 22 Explanation of the business results and an analysis of the assets, financial and earnings situation

- 29 Report on the Risks and Opportunities for the GK Software Group
- 29 Overall risk position
- 31 Internal monitoring and risk management systems with regard to the Group's accounting process
- 32 Risk reporting in relation to the use of financial instruments

- 33 Forecast report
- 35 Company outlook
- 36 General statement for 2021



André Hergert
Chief Financial Officer

Consolidated Interim Management Report

The Company's Business Model

Subject matter and purpose

GK Software SE¹ is one of the world's leading technology companies for retail sector software with a special focus on solutions for large and very large retail companies with many local stores. GK Software SE and its predecessor company, G&K Datensysteme GmbH, which was founded in 1990 by Rainer Gläss and Stephan Kronmüller and changed its name to GK Software AG in 2001, have been successfully operating in the marketplace for over 30 years. The Company's flotation took place in the Prime Standard segment of the Frankfurt Stock Exchange in 2008. GK Software AG was transformed into GK Software SE on 19 January 2018.

Group structure and holdings

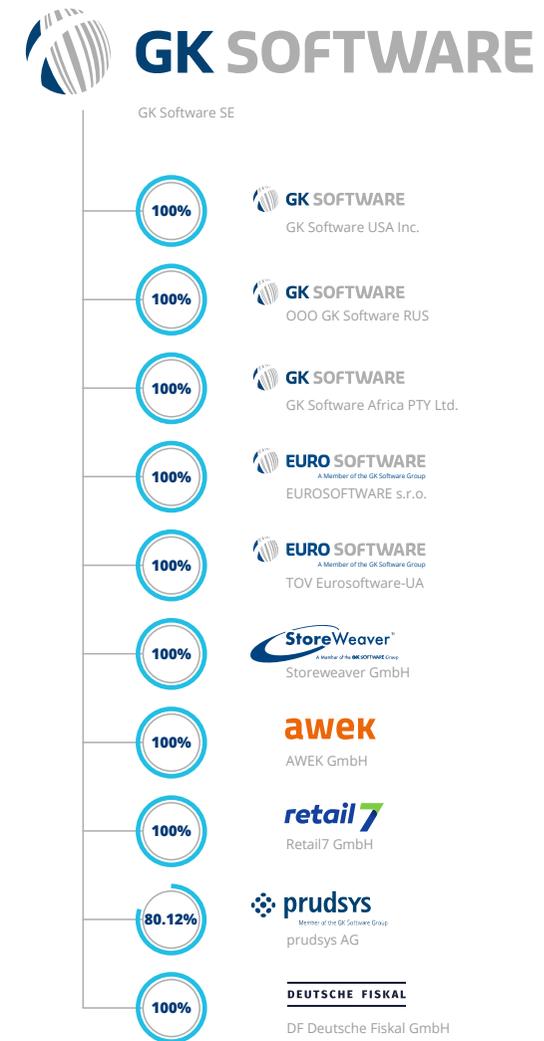
The Group's headquarters have been located in [Schöneck/Vogtl.](#) since it was founded. Alongside its administration department, the product development department, project management and third-level support facilities are all based at this site. GK Software SE additionally has two business sites in [Berlin](#) which are primarily responsible for the marketing, sales and part-

ner activities; parts of the software development work are also based there. There is a further branch in [St. Ingbert](#) in the German state of Saarland. The teams in St. Ingbert are primarily responsible for the implementation of customer projects and they also look after the remaining customers of our SQRS solution (Solquest Retail Solutions). The branch in [Jena](#) started operating in 2018 so that the Company can benefit from the excellent opportunities for gaining personnel in this high-tech region in the state of Thuringia.

The Group's second largest business location has been situated in [Plzen](#) in the Czech Republic for more than 20 years. Software production and research & development are the main activities pursued by the wholly-owned subsidiary, [Eurosoftware s.r.o.](#) Major work on programming and further technological developments for the solutions provided by [GK Software](#) take place at the Plzen site. [TOV Eurosoftware UA](#) in [Lviv](#) has been an additional wholly-owned subsidiary of GK Software SE and a site for customised software development since the beginning of 2016.

GK Software SE has another wholly owned subsidiary in [Dübendorf](#) in Switzerland called [StoreWeaver GmbH](#).

F.03 Group structure of GK Software as at 30 June 2021



¹ The expression GK Software always refers to the corporate Group in the following text. "The Company" is also used as a synonym for this. When GK Software SE is used, this exclusively refers to the individual company.

[AWEK GmbH](#), which focuses on providing services, is also a wholly owned subsidiary. It has its headquarters in [Hamburg](#). The subsidiary [AWEK microdata GmbH](#), which has its headquarters in Hamburg and a business site in Bielefeld, was sold to the Zuchetti Group, based in Lodi, Italy, on 21 May 2021. As a result, the IT Services segment within the Group is now formed solely of AWEK GmbH.

A solution based on cloud technology has been sold via [DF Deutsche Fiskal GmbH](#), Berlin (formerly 1. Waldstraße GmbH, Schöneck, a company without any operating business, which had its name and headquarters changed in 2019) since the beginning of 2020, in order to meet the tax law requirements covered by the heading "German fiscalisation".

GK Software SE has its own sales organisation in Russia in the form of [OOO GK Software RUS](#). [GK Software USA Inc.](#) was founded in the USA in December 2013 in order to support the expected expansion of our North American business locally through an organisation of our own. [GK Software Africa \(Pty\) Ltd](#) was set up in South Africa at the beginning of 2015 for the same reason to serve African customers.

[prudsys AG](#) is based in [Chemnitz](#). [prudsys AG](#), in which GK Software SE has an eighty percent holding, develops the Group's solutions based on the use of artificial intelligence methods and they are linked to the core solutions from the Group via the AIR platform concept (Artificial Intelligence for Retail) in line with customers' requirements. [valuephone GmbH](#), which was fully acquired in the summer of 2018, was merged

with GK Software SE with effect from 1 January 2019. GK Software had already been selling the mobile customer solutions that it develops since 2017.

The Management Board of GK Software SE consists of the company founder Rainer Gläss (CEO, Strategy, Marketing & Sales) and André Hergert (Finances). The Management Board is supported by a Group Management Board, which consisted of the following members in first half year 2021: Michael Jaszczyk (CEO of USA, with responsibility for North and South America), Harald Göbel (Senior Vice-President at GK Software SE, with responsibility for Europe, the Middle East and Africa) and Michael Scheibner (Chief Strategy Officer).

The three-man Supervisory Board at GK Software SE is led by Chairman Dr Philip Reimann. He has been a member of the Supervisory Board since 2020. He has been appointed until the end of the Company's annual shareholders' meeting, which will make a decision on approving the actions of the Company for the 2024 financial year. Thomas Bleier was elected to the Supervisory Board in 2003. His period in office was confirmed until the annual shareholders' meeting in 2022 at the annual shareholders' meeting in 2018. Herbert Zinn was first elected to the Supervisory Board at the annual shareholders' meeting in 2011. His current period in office ends with the annual shareholders' meeting in 2023.

Control parameters for the Group

Management of the Group is largely determined by two control parameters, turnover and revenue; the latter is determined primarily from earnings before interest and taxes (EBIT) and earnings before interest, taxes, depreciation and amortisation (EBITDA) as well as the relationship between these two revenue factors and turnover (operating performance).

Alongside these two group control parameters, we continue to use the margin of gross profits on turnover. We view gross profits as the surplus achieved by turnover for services purchased from third parties, semi-finished products and goods, which are used to directly provide this turnover, in order to be able to view the effect and degree of outside services on the turnover that is achieved.

This system of key performance indicators, which is geared towards earnings capacity, is accompanied by KPIs, which deal with the funding for the group. The issue here is the ability of the Group to be able to service its financial obligations at any time, both in the long and short term. The key performance indicators used here concern the equity ratio and the capitalisation ratio in different variants as a measure of matching the maturities of assets and the capital used to fund them. Another major aspect concerns the Group's ability to be able to make use of investment opportunities that arise at very short notice. A central KPI here is the surplus of cash and cash equivalents over inter-

est-bearing liabilities. Depending on the goal of the approach, there are variants for this KPI too.

Personnel

1094 people in all were employed within the Group on the reporting date of 30 June 2021 (excluding members of the Management Board and trainees). This means that there are 29 fewer employees than on the same reporting date in the previous year (1,123). The decline is predominantly due to the sale of AWEK microdata GmbH, which had 41 staff at the time of the sale. A large number of the Group's employees, 363, (398 in the previous year), continue to work at the business site in Schöneck. The Berlin branch of GK Software SE currently has 63 employees working in the sales & marketing, project and partner management and development fields (the figure was 73 in the previous year). The number of people employed at the Czech subsidiary Eurosoftware s.r.o in Plzen declined to 253 (as against 242 in the previous year). 53 people were employed in the IT Services division in Hamburg at the end of the first half of the year (H1 2019: 66). Due to the sale of AWEK Microdata GmbH, there are no longer any employees working for the group in Bielefeld (previous year 39). 105 people were working at the business site in St. Ingbert at the end of the reporting period (H1 2019: 108). 5 people were working in Dübendorf at this time, one more than twelve months ago. [DF Deutsche Fiskal GmbH](#) has employed four staff members.

The number of employees working at the branch in Cologne was 17 – the figure was 19 on 30 June 2020. 93

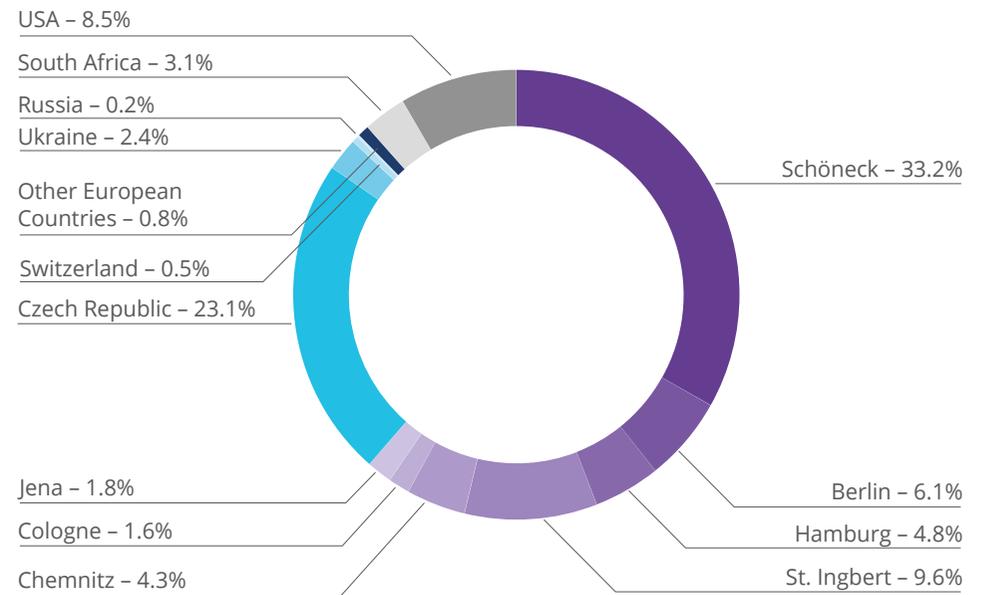
people were working for GK Software in the USA (H1 2020: 94). The South African subsidiary employed 34 people on the reporting date (28 in 2020). The number of people employed at the business site of the Ukrainian subsidiary in Lviv has risen from 25 to 26 since the middle of 2020. 20 people were employed at the branch in Jena at the end of the reporting date (2020: 18).

Prudsys AG in Chemnitz employed 42 people on the reporting date, compared to 44 at the same time in the previous year. The Group pools its expertise in the field of artificial intelligence at this business site.

Huge investments have been made in training and developing employees for years in order to be able to provide a foundation for and boost growth in turnover at GK Software from a human resources point of view too. Most of our employees attended training courses at the GK Academy (some of them on more than one occasion), for example. New employees undergo extensive and standardised introductory courses, while a permanently adapted training programme is made avail-

able to all employees too. The range of online training courses has also been extended, and this increases the potential number of those attending them. The Company is also actively involved in training new or future employees. They include trainees on apprenticeship courses, students from universities of cooperative education or students on sandwich courses. These different measures are already providing the first success stories in attracting new employees and the aim is to further intensify them in future.

F.04 Location distribution of employees as at 30 June 2021



T.04 Change in employee structure

	6M 2021	6M 2020	Change in %
Schöneck	363	387	(6.2)
Berlin	67	73	(8.2)
Hamburg	53	66	(19.7)
St. Ingbert	105	108	(2.8)
Chemnitz	47	44	6.8
Cologne	17	19	(10.5)
Jena	20	18	11.1
Bielefeld	0	39	(100)
Czech Republic	253	242	4.5
Ukraine	26	25	4.0
Switzerland	5	4	25.0
Russia	2	2	0.0
Other European countries	9	6	50.0
South Africa	34	28	21.4
USA	93	94	(1.1)
Total	1,094	1,155	(5.3)

The GK Software Business Model

GK Software essentially sells software and services to retail companies. A distinction must be made here between the CLOUD4RETAIL core business and the IT services, which are not counted as such. The CLOUD4RETAIL business can be further differentiated – according to the structure of this software platform – into the central process control GK/Retail world of solutions (includes all processes for controlling a retailer's branch processes as well as their integration with the retailer's e-commerce activities) and the power apps, which serve to automate the process landscape (of subordinate processes as well as for the automation

and optimisation of central tasks, such as the pricing of the goods offered). These two blocks are complemented by a product that enables retailers to enter into direct contact with their customers, the end consumers, but also allowing the latter to influence the initiation, the process and the conclusion of trade transactions (Mobile Consumer Cloud).

Core business – CLOUD4RETAIL

In the CLOUD4RETAIL sector, sales are generated primarily by the transfer of use of standard software platforms, the special development of software enhancements at the customer's request (so-called “*extensions*”) and services related to the introduction of the software platforms and their operation.

The solution is completely designed for operation in the cloud, but can be operated in a private, hybrid or public cloud at the customer's choice.

Revenue from software arises either from the collection of fees from the granting of licences for an unlimited period of time (so-called “perpetual licences”) or from subscription agreements that limit the granting of use to a certain period of time. The fees for *perpetual licences* are paid in one lump sum. For the subscriptions, payments are usually agreed in equal amounts over the period of use, with a minimum payment agreed for the period following the introduction of the application. Where GK Software also takes over the operation of the applications, the entire solution is made available as software as a service (SaaS) and

remunerated through a correspondingly increased subscription price.

CLOUD4RETAIL is a platform consisting of various solution components that customers select according to their needs and priorities. At the core of this platform, which is geared towards the needs of medium and large retailers, is an application suite that brings together the retailer's processes. Examples of this platform core – the GK/Retail portfolio of solutions – are the processes for cash registers, scales, store merchandise management including the associated infrastructure, and the management and monitoring functions. Also part of the CLOUD4RETAIL sector is the Mobile Consumer Assistant (MCA) solution, which enables direct communication between the customer and the retailer, but also offers the customer the possibility, as required, to initiate (Click & Collect), continue and also complete (e.g. through offerings such as Scan & Co) the retail processes that are offered in the GK/RETAIL portfolio of solutions. Implementation takes place with apps branded to the retailer, which end consumers keep available on their mobile devices.

To accommodate the retailers' many ideas, CLOUD4RETAIL is designed as a standard platform that can be quickly adapted to new situations. This is all the more relevant when applications like CLOUD4RETAIL are used over longer periods of time. CLOUD4RETAIL has therefore been especially designed with this need in mind and allows for a quick enhancement of the solutions through extensions. It is necessary to distinguish between extensions that are relevant for the customer on a permanent basis, which as platform extensions

are linked with maintenance contracts that guarantee the release capability of the extension even over long release cycles, and smart extensions that are only of temporary importance for the customer. In the past, we have observed that the sales for these services maintain a very constant level and represent a reliable foundation for sales expectations in the coming years.

CLOUD4RETAIL contracts based on perpetual licences also generate a permanent revenue stream through maintenance services. These maintenance services result as a fraction of the remuneration for the right of use and are payable for the duration of the use of the respective platform. These maintenance services are included in the subscription payments in the SaaS contracts.

Due to the customary project size, implementation support is always necessary when implementing the project, generating consulting revenue. The normal course of the project therefore usually consists of an initial project, after the successful completion of which the customer can roll out the solution. Even during the initial project, but especially afterwards, additional or new requirements (smart or platform extensions) arise to extend the solution.

These main groups are complemented by the power apps. By these means, further process steps that do not belong to the immediate core of the branch processes can be presented, or main processes can be automated or optimised. The [Deutsche Fiskal](#) solutions constitute one block of these power apps. Deutsche Fiskal offers its services exclusively as software as a

service. The Fiskal Cloud solution based on the CLOUD4RETAIL platform offers as a service the generation and storage of the legally required electronic signature as well as the associated storage of various receipt-related transactions. Other management and monitoring functions are also available to the customers. Fiskal Cloud Archiv is likewise a pure SaaS offering, enabling the storage and provision of the data required by the tax authorities in the prescribed format. Another solution of this kind is the emailbon product, for example, which satisfies the obligation to provide a receipt entailed by the legal regulations. CLOUD4RETAIL provides AI solutions for the automation and optimisation of the main trading processes. These are developed by [prudsys AG](#) and are offered to brick-and-mortar retailers under the AIR (Artificial Intelligence for Retail) brand as part of the CLOUD4RETAIL platform. The prudsys brand continues to be used for pure e-commerce. The solutions from the AIR platform are also mostly positioned as SaaS offerings and flanked by advisory and introductory offers.

Transaction+

GK Software USA offers the Transaction+ solution exclusively in the USA. Up to now, this has been sold in the classic licensing business, for which maintenance is incurred accordingly. On top of this comes regular extension business that also requires maintenance as an extension of the licence. The USA organisation is currently working on converting the solution so that it can be offered as software as a service in the future, and thus be integrated as a power app in CLOUD4RETAIL.

retail7

retail7 GmbH has developed a completely new solution for small and micro retailers, with a market launch planned for 2021. It is expected to generate SaaS revenue only, as no individual changes to the solution are planned for individual customers. retail7 GmbH has also developed the emailbon.de solution, which is also sold by GK Software.

GK Academy

GK Academy generates sales through the sale of training and the provision of certification.

AWEK – IT Services

AWEK GmbH offers services for the trade sector primarily in the area of hardware and on-site maintenance. This business has been in decline for several years now and no new clients are being sought as this service is being discontinued. AWEK microdata GmbH develops and sells the euroSUITE branch solution for medium-sized retailers. This subsidiary was sold to the Italian Zucchetti Group on 21 May 2021. Sales were generated here from licences, maintenance work, customisation and associated software-related services. AWEK and AWEK microdata together formed the IT Services division.

Sales via partners

The most important partner generating sales for GK Software is SAP, which sells a significant part of the CLOUD4RETAIL platform under its own brand. A cor-

responding agreement on the sharing of licence and maintenance revenues exists in this connection. In addition, there are implementation partners who purchase services from GK Software that they cannot provide themselves.

Partner training

The GK Academy is responsible for qualifying implementation partners and customer employees as well as training GK Software workers. The Group is also training implementation partners in 2021, which can then introduce GK/Retail on their own.

Research and development

GK Software has always focused on the ongoing development of existing products and the development of new software solutions during the past financial years and they will be strategic competitive factors in the future too. This is also reflected in the ongoing increase in the number of employees working in this field.

GK Software is continually investing in research and development in order to maintain its leading technological position in the long term too. A distinction needs to be made here between applied research, which is handled by its own innovation and research teams, and application-oriented product development. The expenditure for research amounted to EUR 0.85 million during the reporting period. The research teams are based at several of the Group's business sites. Application-related "product development work" is primarily conducted in Germany and the Czech Republic. Overall, about EUR 8.92 million was spent on this work during the reporting period.

Overall, GK Software spent EUR 9.76 million on research and development work during the reporting period, which amounted to about 15% of the Group's turnover.

Economic report

General assessment of the course of business

In terms of the development of the 2021 fiscal year, the Executive Board had forecast that the Group would record a slight increase in turnover revenues and a further improvement in EBIT compared to 2020. In the course of the 2021 fiscal year to date, GK Software has been able to increase its sales more than expected compared to the same period of the previous year and further significantly improve its earnings situation.

For example, revenue increased by almost 15 per cent year-on-year from EUR 56.16 million to EUR 64.36 million. This development can only partly be attributed to the first-time contribution for Deutsche Fiskal; six new customers were also acquired during the first half of the year in the area of new customer acquisition for our CLOUD4RETAIL retail cloud solution.

On the earnings side, the operating result also improved considerably. Earnings before interest, taxes, depreciation and amortisation (EBITDA), including one-off effects of EUR 2.75 million from the sale of AWEK microdata GmbH, amounted to EUR 15.63 million, compared to EUR 6.24 million in the same period of the previous year. EBITDA adjusted for one-off effects (*pro forma* EUR 12.88 million) also more than doubled the previous year's figure. The development of earnings before interest and taxes (EBIT) tracks similarly. Again including the proceeds from the sale of AWEK microdata GmbH, it was EUR 11.79 million. Excluding this

one-off income, EBIT amounted to *pro forma* EUR 9.04 million and exceeded the previous year's figure of EUR 1.96 million many times over.

Explanation of the business results and an analysis of the assets, financial and earnings situation

Earnings situation

- Sales at 64.36 million euros
- EBITDA at 15.63 million euros

GK Software was again able to significantly expand its business in the first half of 2021. With sales of EUR 64.36 million, the previous year's figure of EUR 56.16 million was significantly exceeded. On the cost side, the increase in costs was limited to EUR 1.54 million, so that the additional turnover led to a considerable improvement in the earnings situation.

As in the previous years, the sales growth was largely driven by our core segment CLOUD4RETAIL. This grew by almost 17 per cent from EUR 52.64 million to EUR 61.62 million, while sales in the IT Services business segment continued to decline as expected, on the one hand due to the scheduled termination of customer contracts and on the other due to the sale of AWEK microdata GmbH in May 2021. Sales in this segment still amounted to EUR 2.75 million (previous year EUR 3.52 million). Overall, sales in the segment and with the CLOUD4RETAIL solution account for 95.7 percent of GK Software's total sales.

The 2021 fiscal year has so far been dominated by the ongoing trend towards software-as-a-service. In terms of sales, this finds expression in the fact that of the six retailers who initially opted for our CLOUD4RETAIL standard platform, two are already moving toward a software-as-a-service (SaaS) implementation. These SaaS contracts represent a total contract value (TCV) of around one million euros over five years. No revenues have yet been realised from these contracts. The other new customers use the advantages of cloud technology in the traditional remuneration model. Sales of EUR 7.43 million have been recorded for the licensing of the CLOUD4RETAIL and other standard platforms in the segment.

The fact that the Group is successfully mastering the requirements of cloud technology operationally in the SaaS context was demonstrated by our subsidiary Deutsche Fiskal with the successful operational start-up of our product for German fiscalisation legislation, the "Fiskal Cloud". The solution started operations almost without a hitch and records up to 80 million cash transactions in a traceable manner on peak days. The extended closure of shops for non-food retailers as part of the Covid- 19 pandemic response has spread the product's launch over the quarter and not all contractually eligible systems are yet operational. EUR 2.29 million in sales have been recorded so far.

This tendency towards SaaS is supplemented by contracts concluded for the add-on cloud products eMail-Bon.de and AIR.

Summarising these influences, it can be stated that in the first half of 2021, the CLOUD4RETAIL segment was able to record licensing and remuneration for SaaS offerings totalling EUR 11.95 million (compared to EUR 2.92 million in the previous year – a fourfold increase). Maintenance revenue for platforms and platform extensions was EUR 10.67 million in the segment in H1 2021 (EUR 9.92 million in H1 2020), an increase of 7.6 percent.

Due to completed extension projects at two major customers, revenues from platform extensions declined to EUR 18.26 million (previous year EUR 33.11 million).

In total, sales from software amounted to EUR 40.89 million, or 66.4 percent of the total sales in the segment. In the same period of the previous year, the comparable figures were EUR 45.95 million, which accounted for 87.3 percent of sales in the segment.

The capacities freed up in the area of platform extensions were used for implementation at new customers; accordingly, the retail consulting revenues in the CLOUD4RETAIL segment increased from EUR 6.14 million to EUR 20.22 million. Specifically, consulting revenues increased by EUR 10.87 million to EUR 14.61 million due to these new implementations. As soon as these implementations are completed, they will form the basis for follow-up orders for platform extension, which should lead to an increase in these revenue types. However, as these consultancy services are one-off in nature, recurring and repeatable sales as a proportion of total sales are decreasing in this reporting period.

F.05 Recurring, repeatable and other sales in the CLOUD4RETAIL segment



The development of sales in the IT Services segment is influenced in particular by the sale of AWEK microdata GmbH on 20 May 2021. AWEK microdata GmbH's Eurosuite solution was an essential part of the segment, although the decision to discontinue it was taken back in 2019. The remaining part will be scaled back as planned to fulfil the last customer contracts by the end of March 2022. Accordingly, software-related sales in this segment fell from EUR 0.95 million to EUR 0.55 million, while maintenance revenues were reduced from EUR 0.82 million to EUR 0.59 million. The increase in other sales to EUR 1.14 million can largely be attributed to hardware roll-outs.

T.05 Turnover according to segments

EUR K	CLOUD4RETAIL		IT Services		Other business activities			Group
	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020
Turnover with third parties	61,616	52,638	2,747	3,523	—	—	64,363	56,161
Licenses	30,216	36,028	549	947	—	—	30,765	36,975
License Platform	7,426	2,918	126	265	—	—	7,552	3,183
License Platform Extension	2,571	10,313	107	—	—	—	2,678	10,313
Smart Extension	15,690	22,797	316	682	—	—	16,006	23,479
Platform licences from subscription agreements	4,529	—	—	—	—	—	4,529	—
Maintenance	10,670	9,919	591	824	—	—	11,261	10,743
Software Maintenance	10,670	9,919	591	824	—	—	11,261	10,743
Retail Consulting	20,220	6,142	470	1,647	—	—	20,690	7,789
Retail Consulting	14,606	3,632	125	—	—	—	14,731	3,632
(Cloud) Operations Support	5,615	2,510	345	1,647	—	—	5,960	4,157
Others	510	549	1,137	105	—	—	1,647	654

At the half-year point in the previous year, a small amount of own work was capitalised in the production of Deutsche Fiskal products (EUR 0.13 million). So far, there are no comparable circumstances in the current year.

Other operating revenues amounted to EUR 4.94 million in the reporting period and was thus significantly above the previous year's value of EUR 1.70 million. This increase is almost entirely due to the impact of the sale of AWEK microdata GmbH on 21 May 2021. The income recorded for this amounts to EUR 2.75 million.

In total, this results in a total operating revenue of EUR 69.41 million, compared to EUR 58.04 million in the previous year.

T.06 Total operating revenues

	30.6.2021		30.6.2020		Change	
	EUR K	in % ¹	EUR K	in % ²	EUR K	in %
Sales	64,363	92.7	56,161	96.8	8,202	14.6
Own work capitalised	—	—	134	0.2	(134)	—
Operating revenues	64,363	92.7	56,295	97.0	8,068	14.3
Other operating revenues	5,045	7.3	1,743	3.0	3,302	189.5
Total operating revenues	69,408	100.0	58,038	100.0	11,371	19.6

The expenditure on semi-finished products, goods and purchased services increased from EUR 4.00 million to EUR 5.72 million in the first half of 2021. This increase is mainly due to Deutsche Fiskal's hybrid offer for its customers who combine hardware solutions with its soft-

¹ Margin on turnover
² Margin on turnover

ware solution. Technical security equipment in hardware form was procured for these customers totalling EUR 0.27 million. The remaining part is accounted for by purchased services for cloud operation from computing capacity providers and other third-party services from Deutsche Fiskal partners (in total EUR 0.98 million) as well as external capacities as part of the flexibilisation of the Group's capacities.

Personnel costs now amount to EUR 39.15 million, a year-on-year increase of 1.6 percent, with the average number of employees by headcount remaining almost unchanged in H1 2021 compared to the same period last year, at 1,163 to 1,159. At the half-year reporting date, the number of employees in the Group decreased from 1,155 to 1,094, whereby this is mainly due to the sale of AWEK microdata GmbH, which had 41 employees when the sale went through.

Other operating expenditure amounted to EUR 8.91 million and was thus EUR 0.38 million (4.1 percent) lower than the value for the previous year. This reduction was made up of various items, but the main driver was the reduction in travel and vehicle costs.

In summary, this led to EBITDA of EUR 15.63 million (including the sale of AWEK microdata GmbH), following a figure of EUR 6.24 million in the previous year.

Depreciation and amortisation amounted to EUR 3.84 million and were down EUR -0.44 million on the previous year's figure of EUR 4.28 million, which is mainly due to expiring rights of use according to IFRS 16.

Consequently, this results in an EBIT of EUR 11.79 million compared to EUR 1.96 million in the same period of the previous year, whereby the reported value for the EBIT must be corrected for the one-off effect from the sale of AWEK microdata, so that the previous year's value must be compared with EUR 9.04 million.

In the first half of 2021, there was a negative financial result of EUR -0.62 million. In the previous year, this burden from the financial result still amounted to EUR -0.99 million. The decline is due to the EUR 0.37 million reduction in interest expenditure due to the redemption of loans and the repayment of current accounts as well as to the EUR 0.13 million increase in interest income.

EBT (earnings before taxes) in the reporting period thus amounted to EUR 11.17 million (previous year: EUR 0.97 million); income taxes totalling EUR 1.91 million were calculated and recorded for these pre-tax earnings (previous year: EUR 1.11 million), resulting in a net income for the period of EUR 9.26 million. In the same period of the previous year, a net loss of EUR -0.13 million was recorded.

T.07 Earnings figures

	30.6.2021		30.6.2020		Change	
	EUR K	in %	EUR K	in %	EUR K	in %
EBITDA	15,628	24.3	6,235	11.1	9,393	150.6
EBIT	11,790	18.3	1,957	3.4	9,832	>250
EBT	11,172	17.4	972	1.7	10,199	>250
Group result	9,261	14.4	(133)	(0.2)	9,394	—

Assets situation

The main factors influencing the development of the balance sheet since the balance sheet reporting date of the previous fiscal year were, firstly, the positive business development that the company has seen since the beginning of the current year, continuing the trend of the last six preceding quarters. Secondly, the balance sheet was influenced by the successful capital increase in March. The sale of AWEK microdata GmbH, which has already been mentioned several times, was also of minor importance.

Overall, the balance sheet total has increased since 31 December 2020 from EUR 110.68 million to EUR 140.92 million as of the balance sheet reporting date for the first half of 2021. On the assets side, this increase of EUR 30.24 million is mainly due to the increase in cash and cash equivalents by EUR 29.24 million (driven by the business development and the capital increase) as well as the other current assets by EUR 3.26 million, while non-current assets decreased by EUR 1.89 million, mainly due to scheduled depreciation being in surplus over new and replacement purchases. Cash and

cash equivalents now amount to EUR 38.67 million, other current assets to EUR 47.99 million and non-current assets to EUR 54.27 million.

On the capital side, there was a corresponding increase in equity by EUR 29.91 million to EUR 77.88 million. The sources of this change are the same as those for the change in cash and cash equivalents. Non-current liabilities are only slightly reduced compared to this change, now amounting to EUR 31.09 million and are thus EUR -1.35 million lower than at the end of 2020. In contrast, current liabilities increased by EUR 1.59 million to EUR 31.14 million.

T.08 Assets situation

	30.6.2021		31.12.2020		Change	
	EUR K	in %	EUR K	in %	EUR K	in %
Non-current assets	54,267	38.5	56,520	51.1	(2,253)	(4.0)
Current assets without cash and cash equivalents	47,986	34.1	44,730	40.4	3,256	7.3
Cash and cash equivalents	38,665	27.4	9,425	8.5	29,240	>250
Assets	140,918	100.0	110,676	100.0	30,243	27.3
Equity	78,694	55.8	48,696	44.0	29,997	61.6
Non-current liabilities	31,089	22.1	32,438	29.3	(1,349)	(4.2)
Current liabilities	31,136	22.1	29,541	26.7	1,594	5.4
Liabilities	140,918	100.0	110,676	100.0	30,243	27.3

The following should be noted in detail regarding non-current assets. The rights of use in accordance with IFRS 16 and the intangible assets amount to EUR 33.08 million as of the reporting date, which represents

60.9 percent of the non-current assets; at the end of the 2020 fiscal year, EUR 34.66 million were tied up here (61.3 percent of the non-current assets at that time). This decrease is due to the scheduled reduction via depreciation (EUR 2.66 million) with simultaneous new acquisitions of EUR 1.10 million and exchange rate-related revaluations of EUR 0.44 million (increasing value). The remaining difference is largely due to the sale of AWEK microdata and thus the disposal of assets attributed to this company.

Property, plant and equipment and real estate held as a financial investment (IAS 40) include assets with a carrying amount of EUR 21.02 million (end of 2020: EUR 21.44 million). These items increased due to additions of EUR 0.84 million. There were hardly any value adjustments due to exchange rate effects. The intended use led to scheduled impairments of EUR 1.18 million.

In the area of current assets, trade accounts receivable and trade accounts receivable from ongoing work (those services that have not yet been invoiced to customers) increased by a total of EUR 2.32 million compared to the value at the end of 2020 due to the business expansion.

For the development of cash and cash equivalents, we refer you to the comments on the financial situation.

The main changes on the liabilities side are in equity – as already explained – due to the capital measures carried out and the development of results. As a result of the capital increase carried out in March 2021, the company received funds of EUR 18.46 million

after deduction of the associated costs. GK Software received a further EUR 0.86 million from the exercise of options by employees for share options granted under the share option schemes. Business activity increased equity by EUR 9.26 million due to the net income for the half year.

The decrease in non-current liabilities results, among other things, from the decrease in pension provisions by EUR -0.89 million due to payments into the insurance plans (EUR 0.40 million) and due to pension obligations that are no longer part of the Group's obligations due to their link with AWEK microdata (EUR 0.42 million). In addition, non-current leasehold liabilities are EUR -0.71 million lower than on the previous year's reporting date because a number of existing contracts are no longer to be extended. Non-current bank liabilities were also reduced by EUR -0.52 million due to scheduled reclassifications to current liabilities. These reducing movements are offset by an increase of EUR 0.59 million in deferred tax liabilities.

Current liabilities increased primarily due to an increase in contractual liabilities. These are EUR 4.86 million higher than the value at the end of 2020, and this change is due to increased initial payments received, but above all to deferred income for payments made by customers for the activation fees for the use of the "Cloud". Due to the positive business development, the recorded income tax liabilities also increased by EUR 1.34 million compared to the 2020 balance sheet reporting date. These developments were counteracted by the repayments of current account and loan liabilities, so that current bank liabil-

ities were EUR -3.99 million lower than on 31 December 2020. Current provisions were also reduced, falling short of the value at the beginning of 2021 by EUR -0.37 million.

Financial situation

The of the financial situation has continued to develop positively in line with the business trend; supplemented by the capital measures carried out in the course of this year, cash and cash equivalent funds have increased further in the reporting period.

This positive development in operational terms can already be seen in the cash flow from operating activities in the narrower sense (i.e. essentially due to the result for the period excluding depreciation, tax payments and valuation effects or disposals of non-current assets without the impact of changes in net working capital). At this level, inflows of EUR 13.98 million were recorded in the first half of 2021; for the first half of 2020, these still amounted to EUR 6.60 million.

The development of net working capital did not significantly change this figure in the half-year under review. The impact was very small, with a burden of EUR -1.16 million, compared to the effect in the same period of the previous year, in which these changes still relieved the cash flow by EUR 7.07 million. The small impact in the first half of 2021 is due to the compensation of the increase in trade accounts receivable and other receivables by a total of EUR 5.08 million and the decrease in trade accounts payable and other liabilities by EUR

-0.57 million due to the increase in contractual liabilities by EUR 4.86 million. The increase in contractual liabilities is due in particular to the activation fees due for the use of the Deutsche Fiskal solution. The amount is due upon initial activation and must be deferred on the revenue side over the term of the contract.

This brings the cash flow from operating activities since 1 January 2021 to EUR 13.27 million as at 30 June 2021 (for the first half of 2020 the amount was EUR 13.44 million).

Cash flows from investing activities saw payments for additions to non-current assets of EUR -1.07 million (compared to EUR -0.81 million in the first half of 2020). The Group received income of EUR 0.13 million from interest and EUR 3.84 million in proceeds from the sale of AWEK microdata, resulting in a total cash inflow from investing activities of EUR 2.92 million (compared to a figure of EUR -0.77 million in the first half of 2020).

The Group received funds from financing activities totalling EUR 16.55 million in the first half of 2021 (same period of the previous year: outflows of EUR 5.99 million). The proceeds from the capital increases from authorised capital (March 2021) and conditional capital (share option schemes) of EUR 19.14 million played a significant role here, whereas a total of EUR -2.59 million was paid out for the repayment of loans, leasing liabilities and interest payments.

Overall, cash and cash equivalent funds increased by EUR 27.38 million to EUR 38.67 million. The financial resources fund (balance of cash and cash equivalents

and utilisation of current account and credit lines) was increased by EUR 29.42 million to EUR 38.46 million. With current account lines of EUR 0.14 million and credit cards of EUR -0.06 million being used, the Group had unused credit lines of EUR 17.46 million available.

The Group's financial managers are seeking to meet the goal of guaranteeing that the company is able to service its loans and debts at all times and have adequate liquidity to secure investment projects; it therefore places the highest priority on maintaining capital.

Starting from 1 July, 2021, EUR 31.14 million in liabilities will have to be serviced in the following twelve months. These liabilities are offset by cash and cash equivalents of EUR 38.67 million and current liquid assets of EUR 47.99 million.

The Management Board believes that it has established an adequate funding framework and funding opportunities for the Group's current potential in normal circumstances. The general conditions for funding need to be constantly compared with investment opportunities and adjustments have to be made, if necessary.

The Group's performance to date in the COVID-19 crisis, and particularly its impact on GK Software's financial situation, has proved to be robust. In the present situation, the steering and budgeting processes developed as part of the 2019 efficiency programme continue to provide a stable foundation. Despite this, commercial prudence dictates that we continue to explore

and, if possible, pursue all possible avenues to secure financing.

Financial and non-financial performance indicators

Financial performance indicators. It should be noted that the key indicators, on which the financial data is based, are very much connected to each other. As a result, the development of these figures largely depends on the development of two key indicators. These are turnover and earnings. In order to normalise tax effects, GK Software uses earnings before income taxes and the financial results (EBIT) and the margin on operating performance derived from this and figures derived from these like earnings before interest taxes, depreciation and amortisation (EBITDA).

T.09 Financial performance indicators

		30.6.2021	30.6.2020
Gross earnings margin on turnover	%	99.0	96.2
Personnel ratio	%	60.8	68.6
EBITDA margin on operating performance	%	24.3	11.1
EBIT margin on operating performance	%	18.3	3.5
Equity ratio	%	55.8	40.1
Investment ratio I	%	38.5	52.9
Excess in cash and cash equivalents over interest-bearing liabilities	EUR K	33,504	(539)

The key performance indicators listed above help to analyse developments and discrepancies from plans. For example, the personnel ratio is an important figure for analysing the development of the earnings situation. On the other hand, this largely depends on the “turnover” key performance indicator and any deteri-

oration in its value may express both wrongly established production apparatus and missing the target figure for the “turnover” key performance indicator. However, this can be directly deduced. In this sense, these key indicators are important aids in analysing developments, but are not control parameters in themselves.

Non-financial performance indicators. Management largely observes key figures in sales activities when it comes to non-financial performance indicators. There are two key values here: customer satisfaction and the number of customer contacts. They are not observed in a formalised manner, but are documented and assessed through regular reports about existing projects and sales activities with possible new customers and are presented to the responsible members of the Group Management Board and the Management Board and then assessed. Decisions about ongoing actions and procedures are made at an individual case level. Overall, we expect customer satisfaction to continue to improve.

Report on the Risks and Opportunities for the GK Software Group

Regarding the business development of the first six months of the year 2021, the general development of the environment allows us to come to the fundamental opinion that the risk structure of the corporate group has not changed significantly compared to the presentations about chances and risks for the GK Software since the annual accounts 2020. The significance of the Covid-19 crisis appears to be somewhat less pronounced, but general attention is needed to respond to rapid and surprising developments. The Management Board has therefore decided to regard the analysis of opportunities and risks as largely unchanged.

Overall risk position

The overall risk position means all individual risks to which GK Software is exposed in its entirety. There are no discernible risks that could pose a threat to the company's existence.

Covid-19

The renewed review of the recorded risks did not result in any significant changes to the risk structure for the "normal" circumstances of the forecast report. With the emergence of the new variant of coronavirus, however, a set of risks has been added, whose effects are difficult to assess. It is becoming increasingly clear that for the national economies, especially in those countries taking severe defensive measures, there will be a largely indefinite but significant lag effect.

The issue raised by this concerns the effects of this crisis on GK Software's general business environment and particularly its financial situation.

The crisis is having effects on the operating business of our customers and therefore, e.g. on their investment and demand behaviour as well as their asset, financial and revenue situation. It is also having effects on various company departments at GK Software. We are trying to meet the risks that result from these by

adopting very different sets of measures. Hygiene measures have been intensified to protect our employees and work from home has been almost exclusively introduced on a temporary basis. At the same time, control and budgeting processes for turnover, costs and liquidity have been adapted to the situation.

The Management Board believes that it has created a stable basis for the Group to cope with the current situation and future risks through its current, normal cost flexibility and its efficiency programme that it launched last year.

We closely observe the development in the countries in which GK Software is active and also keep ourselves informed with regard to possible programs for crisis management and support of companies in these countries.

However, it is still appropriate to refer to the opportunities GK Software is facing in the crisis and which will become manifest by the crisis.

Risk management system

The risk management system focuses on recognising risks at an early stage.

GK Software has performed a stock take on the risks and classified them according to their type, the probability that they will occur and the consequences arising from them. Risk owners are assigned to the identified risks.

The process and methods of risk identification, evaluation and assessment are documented in a risk manual. This is regularly reviewed and developed.

The process initially involves recording all possible negative deviations from the specified company targets. In a further step, these deviations identified as risks are analysed in terms of their possible damage and probability that they will occur. The possible damage is determined by its negative impact on the company's development, assets, equity and liquidity. The effects of the risks are quantified as far as possible. The risks are grouped into risk areas.

T.10 Risk analysis

	Probability of occurrence in %	Amount of damage EUR K
High	>60	>750
Medium	20–60	150–750
Low	<20	<150

The risk matrix derived from this results in the classification into risks that pose a threat to the company's existence, significant risks and irrelevant risks. Depending on this, the possibilities of countermeasures to

reduce the amount of damage and/or the probability of occurrence or the bearing of risk are derived.

The Management Board has appointed a risk manager who is responsible for regularly updating the risk inventory on a quarterly basis and reporting the results to the Management Board. Firstly, the risk manager obtains the necessary information from the risk owners as part of a formalised process. Secondly, they conduct informal discussions and evaluate other documents (including internal and external reports and minutes).

In the event of significant risks and, in particular, risks that pose a threat to the company's existence, the risk owners and all management employees are obliged to inform the risk manager immediately and comprehensively. Flat hierarchies, short communication channels and an open communication culture ensure that important risk information also reaches the Management Board immediately. The Supervisory Board is informed by the Management Board at least once a quarter, but usually more frequently, about important developments in the company.

Risks are recorded across the Group and therefore include all subsidiaries. Specific individual risks and general business risks are recorded and considered. Individual risks can together lead to cumulative risks. Changes to the measured values of accumulation risks are indicators of changes to individual risks.

The risk management scheme and early risk recognition do not consider positive opportunities separately.

On the one hand, opportunities represent positive deviations from identified risks; on the other hand, opportunities are the subject of strategic corporate management.

Internal monitoring and risk management systems with regard to the Group's accounting process

The internal monitoring system of the GK Software SE and of the entire corporate Group comprises the principles, procedures and measures introduced by the Management Board for the organizational implementation of its decisions to ensure the effectiveness, efficiency and correctness of the accounting as well as the compliance with the legal provisions relevant for the company. GK Software SE (as well as the Group) is structured according to the responsibilities of the Management Board, whose different departments report to the responsible Management Board. The departments are subdivided into different cost centres, which each have a responsible head of department. The heads of department are either responsible for turnover and costs or only for costs.

The business release rules (requirement requests, purchase orders, invoice release, labour law agreements, submission of offers, customer contracts) are regulated by signature authorisations with value limits, which are regularly checked and adjusted as required. In addition to the release rules, GK Software SE has other guidelines for different areas of application (travel policy, anti-corruption guideline, procurement directive, company car guideline), which are also regularly checked and adjusted if necessary. Appropriate local regulations have been established in the Group companies.

The Group accounts and the accounts of the individual companies are organised and handled in-house, as is the financial accounting of GK Software and all the individual companies. GK Software completes the accounts for the German subsidiaries or branches of subsidiaries as part of agency agreements, with the exception of AWEK GmbH. The foreign Group companies each have their own accounting departments, which are responsible for the local accounts of the companies. The wage and salary administration for the German companies is carried out by GK Software as part of agency agreements.

The financial accounting of GK Software SE and some of its subsidiaries is carried out directly in the accounting software Microsoft Dynamics NAV (NAV). The individual accounts according to the local accounting standards of the other subsidiaries are imported in detail into NAV. The adjustment of the local accounts to the uniform Group accounting and valuation methods and the reconciliation to IFRS accounting are carried out centrally by the parent company's financial accounting department at the headquarters in Schöneck. The individual accounts are also consolidated centrally in Schöneck and in NAV. During the preparation of both the individual accounts and consolidated accounts, internal checks are in place under the "four eyes" principle to ensure the reliability of the individual and consolidated accounts.

The Controlling department, which is centrally located in Schöneck but has a Group-wide focus, prepares detailed monthly evaluations to show the development of the Group and the cost centres. The reports are

made available to the cost centre managers with specific inquiries about conspicuous developments. The Management Board receives an overall report.

Risk reporting in relation to the use of financial instruments

Financial market risks

The Group is exposed to risks associated with exchange and interest rates as a result of its business activities. The exchange rate risks result from the business sites maintained in different currency areas and increasingly from customer relations that go beyond the euro zone. The interest risks are the result of selected types of financing to enhance the Group's financial leeway.

Exchange rate risks arise from the Group's exposure to various foreign currencies such as Czech koruna, Swiss francs, South African rand, US dollars and Canadian dollars. The Group therefore accepts payment obligations arising from work, rental and leasing contracts. The Group therefore not only issued invoices for sales and services in euros on the balance sheet reporting date, but also primarily in Swiss francs, US dollars, Canadian dollars and South African rand. In order to be able to handle the Group's currency risks in a standard manner, GK Software SE tries to combine the currency risks internally. The Group carried out a sensitivity analysis to determine its risk of exposure to foreign currencies.

We normally handle business transactions in the operational currency of the Group firm concerned. Operational business transactions are not handled in the operational currency in individual cases so that there is a currency risk for monetary financial instruments. As

of 30 June 2020, the Group had foreign currency receivables of approximately EUR 440 thousand that differed from local currencies. Currency rate fluctuations in conjunction with our original monetary financial instruments do not have any major effects on our profits. The Group's exchange rate risk sensitivity mainly increased due to the increased business activities in the US dollar region and in South Africa.

In the view of the Management Board, the sensitivity analysis, however, only reflects one part of the exchange rate risk, as the risk at the end of the reporting period only reflects the risk during the year to a certain extent. Risks exist in possible changes to exchange rates for services, which the Group companies provide to the parent company to settle in local currencies every month. In the first half of 2021, services totalling EUR 6.65 million were purchased which were paid in a currency other than euros. These service invoices were settled mainly by Group companies in Czech koruna, South African rand, Swiss francs or US dollars.

Interest risks result from taking out interest-bearing borrowings and from balance sheet items that contain an interest component.

When borrowing, the cash outflow resulting from the interest payments becomes the object of possible hedging measures. The risk is controlled by the Group by maintaining an appropriate ratio because it takes out a mixture of fixed and variable interest rates on funds. As a rule, long-term borrowings are made at fixed interest rates, while short-term borrowings are

subject to variable interest rates or fixed interest rates with short fixed-interest periods.

Forecast report

Market environment

Business developments at GK Software are determined by several factors and their effects in different economic regions. The most important determining factors are the general economic conditions, the current situation and the expected business prospects for the retail sector.

With GK Software's business expansion into more and more economic areas, it goes without saying that the number of factors affecting its business have increased, as the situation in some individual markets may move in different directions in spite of global economic trends. However, this provides some detachment in the Company's general operations from the developments in its original core markets – primarily in Central Europe – without these markets losing their significance for GK Software in the foreseeable future. In the first half of 2021, new business was still being affected by Covid-19, but already to a lesser extent than in the previous year. This is because, both on the retail side and on the IT providers' side, most companies have now adapted to largely digitalised collaboration in order to push projects forward and prepare decisions.

After the global economy was hit harder by the coronavirus pandemic in 2020 than originally assumed, the IMF projects 6.0 percent growth for 2021 and 4.9 percent for 2022. The figures for industrialized countries (5.6 percent) and emerging and developing countries

(7.5 percent) differ. At 3.6 percent, Germany is below the eurozone average of 4.6 percent.¹

European retail sales continued to rise in June and were more than one percent above the previous year's level.² Revenue also rose again in the UK, in June almost exceeding the previous year's level.³ Similarly, in the USA, a continuous upward trend in retail sales has been observed in recent years, which has caused more movement in the world's largest retail market and this trend appears to be continuing.⁴ Year-on-year, sales in June rose by 18 percent due to coronavirus-related re-openings.⁵

Even though the licensing business in the first half of the year was again powered by customers from outside the German-speaking countries, the developments in Germany, Austria and Switzerland continue to remain very significant for the direct business of GK Software, as this is an internationally leading market in the sector and many existing customers have their headquarters there. The German retail sector, Europe's largest single market, grew by 6.2 percent in real terms and 8.2 percent in nominal terms compared to June 2020, driven by huge increases in fashion and textiles retail, which is back above February 2020 pre-crisis levels for the first

time.⁶ In a scenario for 2021 with no further lockdowns and with low coronavirus numbers, the trade association assumes a sales increase of 1.5 percent, with grocery and online retailers' sales rising and non-food retailers' sales falling.⁷

The market research company GfK expects moderate increases in economic expectations and propensity to buy. Consumers continue to see the German economy rebounding, with private consumption contributing more and more to the positive development.⁸ Economic growth of 4.2 percent is also expected for the entire European Union.⁹ At the same time, "The future of retail is digital" and shall remain so, according to the HDE.¹⁰ This statement is supported by the EHI Study entitled "Till Systems 2020" from the EHI Retail Institute that the fundamental digital structure in the retail sector needs to be expanded. In line with this, 58 percent of respondents indicated that they wished to renew their POS software in the next two years.¹¹ This is where the Covid-19 crisis has provided a further boost.

Overall, the need for investments by the retail trade is assessed as continuing to be high, as the study published by the EHI Retail Institute entitled "IT Trends in

1 <https://www.imf.org/en/Publications/WEO/Issues/2021/07/27/world-economic-outlook-update-july-2021>
 2 <https://ec.europa.eu/eurostat/documents/2995521/11563219/4-04082021-AP-DE.pdf/aeda729d-496e-305a-6f5d-0f081f63aa89?t=1627996909163>
 3 <https://www.ons.gov.uk/businessindustryandtrade/retailindustry/datasets/poundsdatatotalretailsales>
 4 http://ycharts.com/indicators/retail_sales
 5 <https://nrf.com/media-center/press-releases/june-retail-sales-increase-recovery-continues>

6 https://www.destatis.de/DE/Presse/Pressemitteilungen/2021/08/PD21_366_45212.html
 7 <https://einzelhandel.de/presse/aktuellmeldungen/13400-neues-hde-szenario-fuer-2021-20-prozent-plus-im-online-handel>
 8 <https://www.gfk.com/de/presse/konsumklima-stagniert-im-juli>
 9 https://ec.europa.eu/commission/presscorner/detail/en/ip_21_2351
 10 According to Stephan Tromp, deputy managing director of the HDE, in the context of the Retail Federation's digitalisation campaign, https://einzelhandel.de/index.php?option=com_content&view=article&id=12357
 11 EHI Retail Institute, POS Systems 2020, p.20

the Retail Sector in 2021” indicates. 63 percent of those questioned believe that artificial intelligence and 44 percent believe that connected retail will be the most important IT projects during the next three years.¹ The “Smart Stores” white paper published by the EHI and Microsoft also shows that artificial intelligence (AI) is already being used at 69 percent of retailers or there are plans to introduce it.² The RIS News “Store Experience Study 2021” shows that the retailers questioned want to increase their IT expenditure by an average of 5.0 percent an average, in order to personalise the customer experience, support contactless payments, empower store employees and improve the in-store customer experience.³ There’s a lot of ground to be made up in Germany in fields like home delivery, for example, but nevertheless online retail’s share of the total grocery market could rise to between 5.2 percent and 9.1 percent by 2030.⁴ Different concepts are increasingly being tested in Germany at the moment like store-based deliveries, click-and-collect or central warehouse-based deliveries. Developments in interactive retailing, i.e. mainly e-commerce and the mail order business without any services, continue to be dynamic. This division again increased its sales in Germany by 23.2 percent to around EUR 45.2 billion in the reporting period. This trend is expected to continue until the end of the year. According to initial estimates, online turnover in the current year is expected to be approx. EUR 100.0 billion. The omni-channel retailers contin-

ued to grow disproportionately in the first half of 2021, increasing their sales by 8.2 percent.⁵ These positive market trends have also been significantly reflected in the discussions that GK Software is holding with existing customers and potential interested parties. The IT departments at retailers are also focusing on other issues related to new technologies and processes, for which GK Software is in an ideal position with its solution portfolio.

In parallel with the basic economic trends in the markets served directly or through sales partners, the general trends in the retail sector are also an extremely important factor influencing the Company’s business. The issue of omni-channel retailing continues to be a major area of focus, as it is exerting a huge influence on retailers’ strategic decisions in all markets. Beyond this, the introduction of genuine cloud services based on enterprise POS solutions is becoming increasingly important for all sizes of retailers. Long-term issues like demographic developments, new ways of establishing customer loyalty or internationalisation also remain important driving forces and are becoming more and more connected to the mega-trend of omni-channel retailing. GK Software responded to these priorities in the retail sector at an early stage and made significant preparations for the future through OmniPOS. The CLOUD4RETAIL cloud platform and the Mobile Customer Assistant customer loyalty solution are further strengthening the competitive position of OmniPOS. We’re expecting the same effect from our GK SPOT big

data platform, which is currently under development, and the further integration of artificial intelligence into our range of solutions. In addition, with our new solutions GK Hospitality, GK Drive, retail7 and eMailBon.de, we’re addressing the catering, petrol station, smaller retailer and digital receipt markets.

All in all, the company sees itself in an excellent position to take advantage of the opportunities arising from the current market situation and also to offer the right answers and solutions to many questions in the future from dealers worldwide.

1 <https://www.ehi.org/de/pressemitteilungen/ship-from-store-shoppen-ohne-schleppen/>
2 <https://www.ehi.org/de/pressemitteilungen/ki-wichtigster-zukunfts-trend-im-handel/>
3 <https://risnews.com/store-experience-study-2021>
4 <https://www.ifhkoeln.de/ifh-prognose-onlinelebensmittelhandel-steigt-bis-2030-auf-bis-zu-9-prozent/>

5 <https://www.bevh.org/presse/pressemitteilungen/details/onlinehandel-mit-waren-waechst-im-ersten-halbjahr-2021-um-232-prozent.html>

Company outlook

Despite the global pandemic, the Group saw continued growth in the first half of 2021, with both turnover and earnings improving significantly. In 2021, we will also continue to move forward with key measures that are part of the efficiency-improvement programme started in 2019. In addition, we continue to expect further progress in the Americas (North and South America), which makes higher positive earnings contributions likely in the future. The fact that Deutsche Fiskal started working at full capacity from April 2021 will result in increases in the share of SaaS sales in the 2021 fiscal year, along with the SaaS projects we acquired in the core solutions segment in fiscal year 2020. The first few months of 2021 suggest that positive trends are continuing to consolidate, and the financial indicators are likewise positive.

Although vaccination campaigns are under way in many countries, the hope that a clear trend towards overcoming the pandemic would already be visible in the summer has not been confirmed. But since in most developed markets the entire retail trade has been able to reopen its shops, a slow return to normal conditions, including the expected catch-up effects, has already become apparent. Provided that conditions do develop in this manner, the company has again issued a medium-term forecast with the 2020 annual report. However, this continues to be subject to reservations depending on whether we actually succeed in overcoming the pandemic to a large extent.

Assuming this environment, in April the Management Board issued a medium-term forecast extending to the end of fiscal year 2023, which we confirm unchanged and repeat here. We expect turnover to continue to grow significantly, ranging between EUR 160 million and EUR 175 million by the end of the forecast period. We expect this growth to primarily occur on the basis of the solutions and products we are currently offering on the market. Further potential could develop as a result of new solutions or the geographical expansion of our sales regions. This forecast is based on organic growth and could be enhanced by inorganic growth, although a more detailed plan for this is not available at present.

We are expecting annual gains for the SaaS business in our core business (without Deutsche Fiskal) to reach the level seen in 2020, with the share of subscriptions growing continuously but not at a rapid rate. Further potential could open up for Deutsche Fiskal if fiscal legislation is extended to other sectors, or branches that were initially equipped with hardware are converted. An expansion to other geographical markets is plausible as well.

In terms of EBIT, we are continuing to aim for a target figure of 15 percent, in relation to turnover. This will likely be based on the prerequisite that the pandemic has been overcome in the markets we have developed, and segments that have been affected by closures are on the path to recovery. For this reason, we are unable to set a specific date for this target figure. Once we have reached this mark, however, we are in any case aiming to keep the EBIT at this level and consolidate it.

This forecast is based on our existing customer relations, the current position our solutions occupy on the market as well as planned and current demand for these solutions. GK Software is currently in an excellent position in many ongoing tender procedures in different regions of the world and has important advantages over its competitors with its innovative, broad portfolio of products, the internationality of its solutions and its proven ability to introduce projects quickly. This makes us optimistic about increasing the number of customer contacts in the following business year. We are also expecting to see positive effects from partnership agreements with “hyperscalers”, such as Microsoft or IBM, who are hopeful that large numbers of terminals and transactions in the retail sector will yield potential for their cloud offers.

On the whole, we believe that we are in a good position to continue keep the Group on a growth trajectory in the coming years while also tapping into new opportunities alongside those currently available to us. One helpful factor is that we have only felt the impacts of the existing pandemic slowdown to a minor extent and primarily in relation to our new business. However, we expect to see catch-up effects in the coming years as a result of delayed investments if the pandemic can be largely overcome this year.

General statement for 2021

The first half of 2021 has confirmed our overall statement for the fiscal year. Based on the assumptions and influencing factors already outlined, we are expecting a slight increase in turnover revenues and a further slight improvement in EBIT for the GK Software Group. Given that the pandemic remains a key factor in 2021, however, we are currently unable to support these assumptions with concrete or approximate figures as we believe we could do for the medium-term forecast.

These statements continue to be subject to the considerable reservation that it is difficult to estimate the duration and depth of the Corona crisis and its consequences in the various regional markets in which the Group operates, so that actual developments may differ considerably from this assessment.

Consolidated Balance Sheet

on 30 June 2021

T.11 Assets

EUR K	30.6.2021	31.12.2020
Property, plant and equipment	14,167	14,675
Right of use assets IFRS16	8,429	9,246
Property held as a financial investment	6,849	6,765
Intangible assets	24,646	25,412
Financial assets	6	6
Active deferred taxes	169	416
Total non-current assets	54,267	56,520
Goods	8	6
Auxiliary materials and supplies	164	167
Initial payments made	4	4
Trade accounts receivable	24,430	23,382
Trade accounts receivable from ongoing work	14,863	13,587
Income tax claims	765	941
Other accounts receivable and assets	7,752	6,643
Cash and cash equivalents	38,665	9,425
Total current assets	86,651	54,156
Balance sheet total	140,918	110,676

T.12 Liabilities

EUR K	30.6.2021	31.12.2020
Subscribed capital	2,246	2,051
Capital reserves	47,797	28,667
Retained earnings	31	31
Other reserves	(1,121)	(2,534)
Profit brought forward	19,755	13,545
Shortfall for period minorities interests	9,176	6,210
Equity attributable to GK Software SE stockholders	77,883	47,971
Equity attributable to non-controlling interest	810	726
Total equity	78,694	48,696
Provisions for pensions	1,837	2,730
Non-current bank liabilities	3,925	4,446
Non-current leasehold liabilities	6,018	6,731
Convertible bond	14,426	14,222
Deferred public-sector subsidies	743	764
Deferred tax liabilities	4,139	3,546
Total non-current liabilities	31,089	32,438
Current provisions	381	750
Current bank liabilities	1,236	5,223
Current leasehold liabilities	2,533	2,580
Liabilities from trade payables	3,965	3,591
Initial payments received	8,451	3,589
Income tax liabilities	2,121	784
Other current liabilities	12,448	13,025
Total current liabilities	31,136	29,541
Balance sheet total	140,918	110,676

Consolidated statement of income and accumulated earnings

for the fiscal year from 1 January to 30 June 2021

T.13 Consolidated statement of income and accumulated earnings

EUR K	6M 2021	6M 2020	FY 2020
Ongoing business operations			
Turnover revenues	64,363	56,161	117,560
Own work capitalised	0	134	831
Other operating revenues	4,944	1,696	4,070
Earnings from appreciation in value on financial assets	102	48	228
Turnover and other revenues	69,408	58,038	122,688
Materials expenditure	(5,722)	(3,995)	(9,436)
Personnel expenditure	(39,147)	(38,517)	(75,640)
Depreciation and amortisation on non-financial assets	(3,838)	(4,278)	(8,543)
Losses from derecognition of financial assets	(9)	(53)	(612)
Other expenditure	(8,903)	(9,238)	(17,923)
Total operating expenses	(57,619)	(56,080)	(112,153)
Operating results	11,790	1,957	10,535
Financial income	158	30	192
Financial expenditure	(777)	(1,015)	(1,637)
Financial results	(618)	(985)	(1,445)
Income tax results	11,172	972	9,090
Income taxes	(1,911)	(1,105)	(2,824)
Consolidated surplus/shortfall for the period	9,261	(133)	6,266
of which attributable to non-controlling interest	85	20	55
of which attributable to GK Software SE stockholders	9,176	(153)	6,210

T.14 Other results after income taxes

EUR K	6M 2021	6M 2020	FY 2020
Items, which will be reclassified in the consolidated profit and loss statement in future under certain conditions			
Differences in exchange rates from recalculating foreign business operations	676	510	(546)
Deferred taxes from differences in the conversion rates for foreign business operations	(161)	(149)	(258)
Items, which will not be reclassified in the consolidated profit and loss statement in future			
Actuarial gains/ losses from defined benefit pension plans	1,073	120	(35)
Deferred taxes on actuarial gains/losses from defined benefit pension plans	(176)	(35)	(25)
Overall results	10,673	312	5,402
of which attributable to non-controlling interest	85	20	55
of which attributable to GK Software SE stockholders	10,588	293	5,347
Earnings per share (EUR/share) from the consolidated surplus/shortfall - undiluted	4.34	(0.08)	3.04
Earnings per share (EUR/share) from the consolidated surplus/shortfall - diluted	4.08	(0.08)	3.00

Consolidated Cash Flow Statement

for the fiscal year from 1 January to 30 June 2021

T.15 Cash flows from operating business

EUR K	6M 2021	6M 2020
Cash flows from operating business		
Surplus/ shortfall for period	9,261	(133)
Share option scheme (non-cash expenditure)	187	192
Income taxes affecting results	1,911	1,105
Interest expenditure affecting results	777	1,015
Interest income/expenses affecting results	(159)	(30)
Profit/ loss from the sale or disposal of property, plant and equipment	(21)	(10)
Reversals of deferred public sector subsidies	(20)	(24)
Write-downs recognised for receivables (including losses from receivables)	357	86
Write-ups recognised for receivables	19	(217)
Impact on earnings from deconsolidation	(2,750)	—
Depreciation and amortisation	3,838	4,278
Net profits from financial tools assessed at their fair value	66	66
Other non-cash revenues and expenditure	515	270
Cash flow from operating business before the change in working capital	13,980	6,598
Changes in net current assets		
Changes in trade accounts receivable and other receivables	(5,076)	5,613
Changes in inventories	2	67
Changes in trade accounts payable and other liabilities	(573)	(1,147)
Changes in initial payments received	4,862	3,344
Changes in provisions	(371)	(808)
Income taxes paid	442	(227)
Cash flow from operating business	13,266	13,440

T.16 Cash flows from investment and financing activities, loans and cash and cash equivalents

EUR K	6M 2021	6M 2020
Cash flow from operating business	13,266	13,440
Cash flow from investment activities		
Payments for property, plant and equipment and non-current assets	(1,070)	(809)
Proceeds from disposals of fixed assets	21	10
Proceeds from the sale of subsidiaries	3,836	—
Interest payments received	128	27
Cash flow from investment activities	2,915	(772)
Cash flow from financing activities		
Taking out equity	19,137	577
Taking out loans	—	—
Interest paid	(111)	(429)
Repayment of loans	(1,020)	(4,689)
Issue of convertible bond	(1,460)	(1,448)
Net income in cash and cash equivalents from financing activities	16,545	(5,989)
Net cash inflow	32,727	6,679
Cash at the beginning of the financial year	5,696	2,291
Cash at the end of the financial year	38,462	9,041
Impact of changes in exchange rates on cash	39	71

T.17 Summary of cash and cash equivalents

EUR K	6M 2021	6M 2020
Cash and cash equivalents	38,665	11,290
Utilisation of current account credit / credit card and exchange rate effects	(203)	(2,249)
Cash at the end of the financial year	38,462	9,041

Consolidated statement of changes in equity

for the fiscal year from 1 January to 30 June 2021

T.18 Consolidated Statement of Changes in Equity

EUR K	Subscribed capital	Capital reserves	Retained earnings	Other reserves	Earnings attributable to GK Software SE stockholders	Equity attributable to GK Software SE stockholders	Equity attributable to non-controlling interest	Total
Figures on 30 June 2020	2,042	28,081	31	(1,225)	13,392	42,322	1,087	43,410
Share option scheme	9	586	0	0	0	595	0	595
Convertible bond	0	0	0	0	0	0	0	0
Allocation based on IAS 19	0	0	0	(144)	0	(144)	0	(144)
Allocation based on IAS 21	0	0	0	(1,165)	0	(1,165)	0	(1,165)
Distribution of profits to non-controlling interests	0	0	0	0	0	0	(398)	(398)
Consolidated surplus/shortfall for the period	0	0	0	0	6,363	6,363	36	6,399
Figures on 31 December 2020	2,051	28,667	31	(2,534)	19,755	47,971	726	48,696
Share option scheme	15	849	0	0	0	864	0	864
Convertible bond	180	18,280	0	0	0	18,460	0	18,460
Allocation based on IAS 19	0	0	0	897	0	897	0	897
Allocation based on IAS 21	0	0	0	515	0	515	0	515
Consolidated surplus/shortfall for the period	0	0	0	0	9,176	9,176	85	9,261
Figures on 30 June 2021	2,246	47,797	31	(1,121)	28,931	77,883	810	78,694

Notes on the Consolidated Accounts

for the fiscal year from 1 January to 30 June 2021

1. Principles of Reporting

1.1 General information

GK Software SE is a public limited company based in Germany. The address of the registered headquarters and head office for business operations is Waldstrasse 7, 08261 Schöneck.

GK Software SE is registered in the Commercial Register at Chemnitz Local Court under reference number HRB 31501.

The promised change in legal form for GK Software from a public limited company (AG) to a European share company (Societas Europaea/SE) was formally completed through the entry in the Commercial Register on 19 January 2018. The annual shareholders' meeting had adopted this change on 22 June 2017 in line with a draft resolution suggested by the Management Board and the Supervisory Board.

The Group's business involves the development and production of software and hardware and sales and trade in this field.

1.2. Consolidated companies and consolidation principles

The five domestic and six foreign subsidiaries designated as at 31 December 2020 have changed in that the holdings in AWEK Microdata were sold on 21 May 2021. The company was deconsolidated and is no longer included in the consolidated companies at 30 June 2021.

There have not been any changes to the consolidation principles since the financial statement relating to 31 December 2020 either. We would therefore refer you to chapter 1.3. 'Consolidated companies and principles of consolidation' in the notes on the consolidated accounts in the 2020 annual accounts (Financial Statement for 2020, pages 62f).

2. Segment Reporting

There were no changes to the organisational structure of the segments needing to be reported during the current financial year.

The distribution of turnover according to products and business activity areas can be summarised as follows:

T.19 Turnover according to segments

EUR K	CLOUD4RETAIL			IT Services			Other business activities			Consolidations			Group		
	H1 2021	H1 2020	FY 2020	H1 2021	H1 2020	FY 2020	H1 2021	H1 2020	FY 2020	H1 2021	H1 2020	FY 2020	H1 2021	H1 2020	FY 2020
Turnover with third parties	61,616	52,638	110,531	2,747	3,523	7,021	—	—	7	—	—	—	64,363	56,161	117,560
Licenses	30,216	36,028	73,806	549	947	2,158	—	—	—	—	—	—	30,765	36,975	75,964
License Platform	7,426	2,918	9,892	126	265	502	—	—	—	—	—	—	7,552	3,183	10,394
License Platform Extension	2,571	10,313	23,395	107	—	42	—	—	—	—	—	—	2,678	10,313	23,437
Smart Extension	15,690	22,797	40,519	316	682	1,614	—	—	—	—	—	—	16,006	23,479	42,133
Platform licences from subscription agreements	4,529	—	—	—	—	—	—	—	—	—	—	—	4,529	—	—
Maintenance	10,670	9,919	19,668	591	824	3,417	—	—	—	—	—	—	11,261	10,743	23,085
Software Maintenance	10,670	9,919	19,668	591	824	3,417	—	—	—	—	—	—	11,261	10,743	23,085
Retail Consulting	20,220	6,142	15,526	470	1,647	335	—	—	—	—	—	—	20,690	7,789	15,861
Retail Consulting	14,606	3,632	10,530	125	—	(10)	—	—	—	—	—	—	14,731	3,632	10,520
(Cloud) Operations Support	5,615	2,510	4,996	345	1,647	345	—	—	—	—	—	—	5,960	4,157	5,341
Others	510	549	1,531	1,137	105	1,111	—	—	7	—	—	—	1,647	654	2,650
Turnover with other segments	—	—	—	15	761	951	—	—	—	(15)	(761)	(951)	—	—	—
Depreciation	(3,395)	(3,874)	(7,732)	(263)	(271)	(543)	(180)	(133)	(268)	—	—	—	(3,838)	(4,278)	(8,543)
EBIT segment	11,790	1,356	9,304	(109)	595	1,273	109	6	(42)	—	1	—	11,790	1,958	10,535
Assets	134,493	98,413	102,562	5,016	8,652	7,757	7,394	8,601	6,825	(5,985)	(7,331)	(6,467)	140,918	108,335	110,676
thereof long term ¹	49,024	48,841	50,559	1,290	2,134	2,093	6,850	7,042	6,765	(2,897)	(1,097)	(2,897)	54,267	56,920	56,520
Debts	56,904	58,127	57,282	2,955	4,811	3,301	7,259	8,552	6,773	(4,894)	(6,564)	(5,377)	62,225	64,926	61,979
Cash and cash equivalents	38,459	11,219	9,354	22	22	23	184	49	48	—	—	—	38,665	11,290	9,425

1 non-current assets, apart from financial instruments, deferred tax claims, benefits after the end of the working relationship and rights arising from insurance contracts

3. Accounting Methods

The same balance sheet and assessment principles were used as in the consolidated accounts on 31 December 2020. We would refer you here to chapter 2, 'Accounting Methods' in the notes on the consolidated accounts in the 2020 annual accounts (Financial Statement for 2020, pages 65 ff.).

4. Notes on the Consolidated Balance Sheet

4.1. Non-financial assets and liabilities

4.1.1. Property held as a financial investment

The property held as a financial investment continues to involve the items named in the chapter 4.2.3. 'Property held as a financial investment' (Consolidated Accounts for 2020, page 87). The assess assessment methods and periods of amortisation have not been changed from those mentioned in the consolidated accounts for 2020.

4.1.2. Intangible assets

For details on the assessment principles for in-house created intangible assets, we refer you to chapter 2.4.2. entitled "In-house created intangible assets" in the 2020 annual report (Consolidated Financial Statements for 2020, pages 67 f).

4.2. Equity

For more information on the change to GK Software's equity up to the balance sheet date on 30 June 2021, we would refer you to the 'Consolidated Statement of Changes in Equity'.

The Company's share capital amounted to EUR 2,245,825 on 30 June 2020 (EUR 2,051,100 on 31 December 2020) and was divided into 2,245,825 no-par value, individual share certificates each worth EUR 1. All the shares issued had been fully paid for by the reporting date. The change results from the capital increase issued in March and from exercising the share option scheme

No shares were owned by GK Software on the balance sheet date.

5. Notes on the Consolidated Profit and Loss Statement

The Own Work Capitalised item reflects the proportionate capitalised development costs amounting for products. No services were capitalised in the reporting

year, compared to EUR 133 K for the Fiskal Cloud in the previous year.

6. Notes on the Cash Flow Statement

We recognise any interest and taxes that have been paid in the cash flow from operating activities. Any interest received is shown in the cash flow from investment activities, while interest paid is shown in the financing activities.

7. Items Not Entered

7.1. Contingent liabilities

No changes had taken place in terms of contingent liabilities since the 2020 consolidated annual accounts. This is the reason why we refer you to these in Chapter 7.1. 'Contingent liabilities' (Consolidated Accounts for 2020, page 99)

7.2. Financial obligations

Neither GK Software nor its consolidated companies had engaged in any relevant purchase obligations by 30 June 2021. The obligations arising from leases and

rental contracts were recognised on the balance sheet in line with IFRS 16.

7.3. Results after the reporting period

No relevant events took place after the reporting date.

8. Other Information

8.1. Earnings per share

The earnings per share are determined as a quotient of the total results and the weighted average of the number of shares in circulation during the financial year. The average number of shares in circulation during the first six months of the 2021 financial year was 2,330,637 (previous year: 2,017,136). The consolidated half-year profit amounted to EUR 9,261 K in 2021 (consolidated half-year loss in the previous year: EUR -133 K). As a result, the earnings per share in 2021 amounted to, diluted, EUR 4.08 and, undiluted, EUR 4.34 per share (previous year: EUR -0.08 diluted/undiluted).

When calculating the diluted earnings per share, the total number of shares, the number of existing and possible new shares from the share option schemes and the convertible bond were all taken into consideration. The earnings from the period were also

increased by the interest-rate advantage from the convertible bond and reduced by the resulting tax effect.

8.2. Details of associated persons and firms

There was no need for any expenditure on valuation adjustments or irrecoverable accounts receivable with associated persons or these items did not exist at all.

Any business transactions between GK Software and its consolidated subsidiaries were illuminated as part of the consolidation process.

8.2.1. Management Board

There was no change to the composition of the Management Board compared to the consolidated accounts for 31 December 2020.

There were no changes to the distribution of shares for members of the Management Board and Supervisory Board either.

8.2.2. Supervisory Board

The composition of the Supervisory Board has not changed compared to the 2020 consolidated financial statement.

8.3. Statement of compliance

The German corporate governance code statement in line with section 161 of the Public Limited Companies Act was submitted and has been published on the homepage of GK Software SE in the "Corporate Governance" section at <https://investor.gk-software.com>.

8.4. Details of Group affiliation

GK Software SE, and therefore the GK Software Group, are subject to the direct control of GK Software Holding GmbH (HRB 24111 Chemnitz), which has its headquarters in Schöneck and is the senior parent company.

8.5. Day when the accounts were approved for publication

The Management Board cleared these consolidated accounts to be forwarded to the Supervisory Board on 26 August 2021. The Supervisory Board has the job of checking the consolidated accounts and stating whether it endorses them or not.

Guarantee by the Legal Representatives

We guarantee to the best of our knowledge that the consolidated accounts present a realistic view of the actual circumstances in the assets, financial and earnings situation at GK Software SE in line with the relevant accounting principles and that the consolidated annual report reveals the course of business including the business results and the situation within the Group in such a way that it communicates a view, which reflects the actual circumstances, and describes the main opportunities and risks for probable developments at the Company.

Schöneck, 26 August 2021

The Management Board



Rainer Gläss
Chief Executive Officer



André Hergert
Chief Financial Officer

Financial Calendar

22 – 24 November 2021

Equity Quality Forum in Frankfurt/M.

25 November 2021

Interim Statement as of 30 September 2021

28 April 2022

Annual Report as of 31 December 2021

27 May 2022

Quarterly Report as of 31 March 2022

15 June 2022

Annual Shareholders' Meeting 2022

26 August 2022

Interim Report as of 30 June 2022

November 2022

Equity Quality Forum in Frankfurt/M.

24 November 2022

Quarterly Report as of 30 September 2022

Legal Notice

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Dr Philip Reimann

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Dipl.-Kfm. André Hergert, CFO

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Notes

Note on the H1 Interim Report

The H1 Interim Report is also available as a translation into English. In the event of deviations, the German version shall apply. The H1 Interim Report is available for download in both languages on the Internet at <https://investor.gk-software.com>.

Note on Rounding

When using rounded amounts and percentages, minor deviations may occur due to commercial rounding.

Forward-Looking Statements

This H1 Interim Report contains forward-looking statements that are subject to risks and uncertainties. They are estimates of the Executive Board of GK Software SE and reflect its current views with respect to future events. Such forward-looking statements can be identified by terms such as "expect", "estimate", "intend", "may", "will" and similar expressions with reference to the company. Factors that may cause or influence a deviation include, without claim to completeness: the development of the retail and IT markets, competitive influences, including price changes, regulatory measures, risks in the integration of newly acquired companies and participations. If these or other risks and uncertainties materialise, or if the assumptions underlying any of the statements prove incorrect, GK Software SE's actual results may be materially different from those expressed or implied by such statements. The company assumes no obligation to update such forward-looking statements.

