



Group Management
Report for the six
months
ended June 30, 2019

intershop[®]

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Letter to Our Stockholders

Dear stockholders and business partners,

After a cautious start to the year, our cloud business gained significant momentum in the second quarter of 2019. This is particularly evident from the markedly higher number of incoming orders, which we more than tripled compared to the first quarter and increased by 79% compared to the first six months of 2018. In terms of sales, our cloud and subscription revenues increased by 18% to EUR 3.0 million in the first half of the year. We were also able to achieve a turnaround in the service area in the second quarter. This is particularly due to the new cloud projects, where we advise companies on the implementation of their digital and cloud strategy early in the process. We want to expand this area and further strengthen the relationship with our customers. After restructuring our business model, the operational development stabilized overall, and we are very optimistic about the second half of the year due to a strong new customer pipeline.

Our confidence is also based on the noticeable change in awareness of Intershop in our target markets. The marketing and sales efforts of the last few months have increasingly made their impact felt and strengthen our position as a cloud provider with a scalable and technically and economically attractive solution.

As a result of the two capital increases in the first half of the year, we have strengthened our net assets and financial position further in order to accelerate the ongoing implementation of the cloud strategy. In particular, we can count on the support of our two anchor shareholders, Shareholder Value Management AG and Shareholder Value Beteiligungen AG, who have shown their trust in our business model through their commitment.

We expect all sales groups to yield considerably higher results in the second half of the year and are confident that we will achieve the revenue target of more than 10% growth. We will also improve our results situation so that only a slight loss will be recorded at the end of the year, and then aim for an EBIT margin of 5% in 2020.

We thank all our shareholders for their trust.

Best regards,



Dr. Jochen Wiechen



Markus Klahn

Key Figures for the Group

in EUR thousand	6-Months 2019	6-Months 2018	Change
Revenues			
Revenues	15,220	16,013	-5%
Software and Cloud Revenues	7,974	7,754	3%
Services Revenues	7,246	8,259	-12%
Revenues Europe	9,935	11,651	-15%
Revenues USA	3,006	2,068	45%
Revenues Asia/Pacific	2,279	2,294	-1%
Cloud order entry	3,858	2,157	79%
Earnings			
Cost of revenues	10,230	9,390	9%
Gross profit	4,990	6,623	-25%
Gross margin	33%	41%	
Operating expenses, operating income	8,754	8,624	2%
Research and development	2,479	2,428	2%
Sales and marketing	4,568	4,330	5%
General and administrative	1,721	1,843	-7%
Other operating income/expenses	(14)	23	++
EBIT	(3,764)	(2,001)	-88%
EBIT-Margin	-25%	-12%	
EBITDA	(2,424)	(996)	++
EBITDA margin	-16%	-6%	
Net result	(3,891)	(2,151)	-81%
Earnings per share (EUR)	(0.11)	(0.07)	-59%
Net Assets			
Shareholders' equity	18,508	18,250	1%
Equity ratio	69%	64%	
Balance sheet total	26,982	28,336	-5%
Noncurrent assets	11,019	10,686	3%
Current assets	15,963	17,650	-10%
Noncurrent liabilities	602	1,970	-69%
Current liabilities	7,872	8,116	-3%
Financial Position			
Cash and cash equivalents	10,361	11,327	-9%
Net cash operating activities	(2,384)	(1,781)	34%
Depreciation and amortization	1,340	1,005	33%
Net cash used in investing activities	(1,985)	(1,405)	41%
Net cash provided by financing activities	7,500	5,601	34%
Employees	337	336	0%

Group Management Report

Overall Economy and Industry

According to the current projections of the International Monetary Fund (IMF), the global economy will experience growth of 3.3% in 2019. In the industrialized countries, the combined GDP is expected to grow by 1.8% and for Germany, the IMF expects a plus of 0.8% in 2019.

The global e-Commerce market will continue to see significant double-digit growth in the future. For 2019, the analyst group eMarketer expects sales in the online retail trade to increase around the world by 20.7% to USD 3.5 trillion. B2B e-commerce is also experiencing strong growth. According to a study published by the Institute for Trade Research Cologne (IFH Köln) in May 2019, the online B2B trade volume in Germany alone has increased every year since 2012 by approx. 15%.

The increasing digitization of various business segments and sectors is also creating strong momentum in the IT sector. According to experts at Gartner, expenditure for enterprise software is expected to increase worldwide by 7.1% to USD 427 billion during the year. According to the industry association Bitkom, the software market in Germany will grow by 6.3% in the current year, and by 2.3% in the IT services market.

Business performance during the first six months of 2019

In the first six months of 2019, Intershop generated revenues of EUR 15.2 million (prior year: EUR 16.0 million), which represents a decline of 5%. Incoming orders for the strategically focused cloud business increased by 79% to EUR 3.9 million (prior year: EUR 2.2 million). Earnings before interest and taxes (EBIT) totaled EUR -3.8 million (prior year: -2.0 million). Compared to the first quarter, Intershop improved its sales and earning performance in the second quarter.

Cloud business gaining momentum and further expansion planned

The expansion of the cloud business is closely linked to the partnership with Microsoft started in 2016. The collaboration combines the high performance of the Intershop Commerce solution with the highest security standards of Microsoft's Azure platform. In 2018, the partnership was further intensified. In January 2019, Intershop achieved "ISV Competency" Gold status in Microsoft's global partner ecosystem as an independent software vendor (ISV). This distinction is a testimony to Intershop's skill, quality, reliability and commitment, and will lead to greater reach and visibility of the offering. Furthermore, Intershop is focusing on a broad spectrum of new partners, both inside and outside the Microsoft sphere. The award for the Intershop Commerce Suite as the "Best Platform/Shop Software" with the E-commerce Germany Award in February 2019 shows that Intershop's solutions for highly scalable online shops are not only enjoying growing popularity on the market but have also impressed industry experts and analysts.

In the first six months of the year, Intershop gained ten new customers. Included among them is Alturos Destinations AG, the market leader for digital tourist sales solutions in Switzerland. The existing platform is used to digitally market services in Switzerland. Known companies such as BLS, Rhätische Bahn, Jungfraubahnen and Matterhorn Gotthard Bahn / Gornergrat Bahn use it to offer their customers a one-stop shop for booking their rail tickets, as well as accommodation, skiing courses, concert tickets, park tickets, experience packages and much more from the comfort of their own home. SharkNinja, market leader for floor care and household appliances (approx. USD 1.5 billion in sales) chose Intershop at the end of 2018 in order to accelerate its digital sales business by providing a reliable and scalable Commerce-as-a-Service solution on Microsoft Azure. SharkNinja operates businesses in the US, UK, Japan, and China as well as e-commerce channels, and is now planning to strengthen its core markets and expand its reach to continental Europe and Asia, which is expected to result in significant growth via its online channels.

Overall, the establishment of the new customer pipeline in the important cloud segment is making very good progress, therefore the transformation of processes and sales activities to the cloud will continue at full speed. Intershop also made two capital increases in the first half of 2019. The help from the additional resources is expected to drive the further repositioning of the company as a leading provider for digital B2B commerce platforms in the second half of the year.

Revenue Development

In the first six months of 2019, Intershop generated revenues of EUR 15.2 million. After a cautious start to the year, revenues of EUR 7.9 million at the prior-year level were generated in the second quarter of 2019. Compared to the first quarter, this represents an increase of 8%. Overall, revenues in the first half of 2019 were around 5% lower than in the first six months of the prior year at EUR 16.0 million.

While licenses and maintenance revenues dropped by 4% to EUR 5.0 million, the generated cloud and subscription revenues increased by 18% to EUR 3.0 million. In total, Intershop recorded an increase in revenues for the core segment software and cloud of 3% to EUR 8.0 million (prior year: EUR 7.8 million). Incoming cloud orders increased considerably from EUR 2.2 million in the prior-year period to EUR 3.9 million in the reporting period, corresponding to a plus of 79%. The cloud ARR (annual recurring revenue) increased by 38% to EUR 6.2 million at the end of June 2019 (prior year: EUR 4.5 million). The new ARR came to EUR 0.6 million after the first six months of 2019. Cloud revenues accounted for 20% of total sales (prior year: 16%).

In the service area, the Company reversed the trend in the second quarter. As a result, service revenues increased by 26% to 4.0 million compared to the first quarter of 2019 due to new cloud projects, which compensated for the expiry of a large-scale project. For the first half of the year, the service revenue of EUR 7.2 million were still 12 % below the value of the first six months of the prior year (EUR 8.3 million). The share of service revenues in total revenue decreased from 52% to 48%.

The following table shows the trend in revenue by area (in EUR thousand):

Six Months ended June 30,	2019	2018	Change
Software and Cloud Revenues	7,974	7,754	3%
Licenses and Maintenance	5,000	5,235	-4%
Licenses	981	1,296	-24%
Maintenance	4,019	3,939	2%
Cloud and Subscription	2,974	2,519	18%
Service Revenue	7,246	8,259	-12%
Revenues total	15,220	16,013	-5%

There was a shift in favor of US business activities in the breakdown of regional sales compared to the prior-year period. The European market continues to dominate by far. Sales in this region decreased to EUR 9.9 million (prior year: EUR 11.7 million). The share of European customers in total revenue decreased from 73% to 65%. Revenue generated in the US market rose significantly to EUR 3.0 million (prior year: EUR 2.1 million), and the revenue share increased by seven percentage points to 20%. In the Asia Pacific region, revenues were in the range of the prior-year level at EUR 2.3 million, which corresponds to a share of 15%.

Earnings Development

During the first six months of 2019, Intershop reported gross profit on sales of EUR 5.0 million, a decline of 25% over the prior-year figure. This is mainly due to the decline in service sales. The gross margin decreased by 8 percentage points to 33%. The cloud gross margin increased from 34% in the prior-year period to 35%. Operating expenses increased by 2% to EUR 8.8 million. Marketing and sales costs increased by 5% to EUR 4.6 million, and the costs for research and development increased by 2% to EUR 2.5 million. Administrative expenses fell by 7% to EUR 1.7 million. The operating result (EBIT) for the first six months amounted to EUR -3.8 million (prior year: EUR -2.0 million). The loss in the second quarter amounted to EUR -1.6 million after EUR -2.1 million in the first quarter of 2019. The operating result before depreciation and amortization (EBITDA) came to EUR -2.4 million (prior year: EUR -1.0 million). The period result after tax came to EUR -3.9 million (prior year: EUR -2.2 million), which corresponds to a result per share of EUR -0.11 (prior year: EUR -0.07).

Net Assets and Financial Position

As of June 30, 2019, the balance sheet total of the Intershop Group amounted to EUR 27.0 million. Compared to the end of 2018, this represents an increase of 19%. On the assets side, cash and cash equivalents increased to EUR 10.4 million at the end of June 2019 due to the two increases in capital in the first half of 2019, which comes to a plus of 43% compared to the end of December 2018 (EUR 7.2 million). Trade receivables also increased by 16% to EUR 4.6 million.

On the liabilities side, equity increased by 36% to EUR 18.5 million. This includes the capital increase with subscription rights with entry into the commercial register on February 14, 2019, which resulted in the increase of subscribed capital by approx. EUR 4.4 million to EUR 39.2 million. Since the second capital increase at the end of June 2019 did not become effective until entry into the commercial register on 5 July 2019, the gross proceeds in the reporting period of approx. EUR 3.8 million were recorded under equity as a separate item. Please refer to the explanations in the section on Equity.

Current liabilities rose by 7.6% to EUR 7.9 million, mainly due to the increase in deferred revenues. Noncurrent liabilities fell to EUR 0.5 million (December 31, 2018: EUR 1.5 million) due to scheduled loan repayments. The equity ratio increased from 60% to 69% as of the balance sheet date.

The cash flow resulting from ongoing business activities totaled EUR -2.4 million in the first half of the year compared to EUR -1.8 million in the prior-year period. This is mainly due to the negative result for the period. The cash outflow for investing activities increased from EUR 1.4 million to EUR 2.0 million due to the allocation of EUR 0.6 million to the cash and cash equivalents with a restriction on disposal, which is to be used as a rental deposit for the new offices to be set up at the company's headquarters. The cash inflow from financing activities came to EUR 7.5 million, mainly due to the increase in capital. The scheduled loan repayments of EUR 1.3 million were the main outflow. Overall, cash and cash equivalents increased by EUR 3.1 million to EUR 10.4 million compared to December 2018.

Research and Development

The research and development activities (R&D) of Intershop focus on the consistent further development of the Intershop commerce platform. Within the existing product cycles, the Company consistently provides technical updates as well as innovative functions and expansions. In addition, major platform releases are developed on a regular basis that comprise significant function upgrades. Intershop has an efficient and experienced development team. The newest version of the Intershop standard solution - Intershop Commerce Management 7.10 - was introduced in the second half of 2018. A new version of Intershop Order Management was also launched. The current release is geared towards the cloud strategy and the partnership with Microsoft and is being continuously further developed.

Employees

At the end of June 2019, Intershop had 337 full-time employees around the world (prior year: 336).

The following overview shows the breakdown of full-time employees by business unit.

Employees by department*	June 30, 2019	December 31, 2018	June 30, 2018
Technical Departments (Service functions and Research and Development)	258	251	240
Sales and Marketing	43	51	58
General and administrative	36	37	38
	337	339	336

*based on full time staff, including students and trainees

The rise in the number of employees in the technical departments is mainly due to the revenue-generating service areas. The decline in the number of employees in sales and marketing is due to the fact that this information is presented as available on the reporting date, as well as to the increased support from external sales partners.

At the interim balance sheet date, the number of employees in Europe was 288 or 85% of the workforce. In the Asia-Pacific region, there were 33 employees (10%); in the U.S., the share was 5% with 16 employees.

Outlook

The underlying conditions in the B2C and B2B e-commerce market continue to be favorable. The main driving force behind this is the ongoing digitalization of business processes. Current market data and surveys also show that more and more companies of all sizes are using cloud solutions instead of their own IT infrastructures and resources. This is also confirmed by the latest Intershop E-Commerce Report 2019. It states that the surveyed IT decision makers in Europe and the US are expecting their investments to further increase by 16% this year. There is also growing awareness about the need for change in general. Almost 8 out of 10 respondents believe that organizations will disappear within the next five years if they do not digitalize.

At the segment level, Intershop is expecting cloud and subscription sales to increase for the whole of 2019. Maintenance and license revenues will increase slightly compared to the prior year. In the service business, a slight increase in sales is expected despite small-scale projects as part of expanding the cloud customer base. Due to the cautious start to the year in the first quarter, the Company has corrected its operating cloud targets slightly and is now expecting 40 new customers (previously: 50) with incoming cloud orders of EUR 17 million (previously: EUR 22 million). The Company expects new ARR (new annual recurring cloud revenue) of EUR 5 million (previously: EUR 6 million).

Overall, the Intershop Management Board confirms its outlook for the 2019 financial year and expects an increase in Group sales of more than 10%. With a slight improvement in the gross profit and gross margin, a slightly negative operating result (EBIT) is projected.

Consolidated Balance Sheet

in EUR thousand	June 30, 2019	December 31, 2018
ASSETS		
Noncurrent assets		
Intangible assets	9,657	9,599
Property, plant and equipment	634	658
Other noncurrent assets	26	26
Restricted cash	635	0
Deferred tax assets	67	67
	11,019	10,350
Current assets		
Trade receivables	4,621	3,977
Other receivables and other assets	981	1,106
Cash and cash equivalents	10,361	7,224
	15,963	12,307
TOTAL ASSETS	26,982	22,657
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Subscribed capital	39,208	34,852
Contribution made to implement the resolved capital increase	3,847	0
Capital reserve	10,285	9,738
Other reserves	(34,832)	(30,944)
	18,508	13,646
Noncurrent liabilities		
Liabilities to banks	500	1,547
Deferred revenue	102	146
	602	1,693
Current liabilities		
Other current provisions	185	261
Liabilities to banks	1,295	1,500
Trade accounts payable	1,405	1,525
Income tax liabilities	31	27
Other current liabilities	2,239	2,268
Deferred revenue	2,717	1,737
	7,872	7,318
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	26,982	22,657

Consolidated Statement of Comprehensive Income

in EUR thousand	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Revenues				
Software and Cloud Revenues	3,861	3,863	7,974	7,754
Service Revenues	4,036	4,008	7,246	8,259
	7,897	7,871	15,220	16,013
Cost of revenues				
Cost of revenues - Software and Cloud	(1,938)	(1,663)	(3,905)	(3,340)
Cost of revenues - Services	(3,384)	(3,067)	(6,325)	(6,050)
	(5,322)	(4,730)	(10,230)	(9,390)
Gross profit	2,575	3,141	4,990	6,623
Operating expenses, operating income				
Research and development	(1,222)	(1,273)	(2,479)	(2,428)
Sales and marketing	(2,134)	(2,217)	(4,568)	(4,330)
General and administrative	(841)	(927)	(1,721)	(1,843)
Other operating income	39	31	70	86
Other operating expenses	(35)	(17)	(56)	(109)
	(4,193)	(4,403)	(8,754)	(8,624)
Result from operating activities	(1,618)	(1,262)	(3,764)	(2,001)
Interest income	9	3	12	4
Interest expense	(35)	(45)	(70)	(86)
Financial result	(26)	(42)	(58)	(82)
Earnings before tax	(1,644)	(1,304)	(3,822)	(2,083)
Income taxes	(49)	(33)	(69)	(68)
Earnings after tax	(1,693)	(1,337)	(3,891)	(2,151)
Other comprehensive income:				
Exchange differences on translating foreign operations	(56)	20	2	(30)
Other comprehensive income from exchange differences	(56)	20	2	(30)
Total comprehensive income	(1,749)	(1,317)	(3,889)	(2,181)
Earnings per share (EUR, basic, diluted)	(0.04)	(0.04)	(0.11)	(0.07)

Consolidated Statement of Cash Flows

in EUR thousand	Six months ended June 30,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Earnings before tax	(3,822)	(2,083)
<i>Adjustments to reconcile net profit/loss to cash used in operating activities</i>		
Financial result	58	82
Depreciation and amortization	1,340	1,005
<i>Changes in operating assets and liabilities</i>		
Accounts receivable	(647)	(453)
Other assets	125	32
Liabilities and provisions	(247)	(989)
Deferred revenue	934	1,130
Net cash provided by (used in) operating activities before income tax and interest	(2,259)	(1,276)
Interest received	11	4
Interest paid	(71)	(226)
Income taxes received	0	3
Income taxes paid	(65)	(286)
Net cash provided by (used in) operating activities	(2,384)	(1,781)
CASH FLOWS FROM INVESTING ACTIVITIES		
Restricted cash	(635)	0
Payments for investments in intangible assets	(1,223)	(1,253)
Proceeds on disposal of equipment	0	1
Purchases of property and equipment	(127)	(153)
Net cash provided by (used in) investing activities	(1,985)	(1,405)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from loan	0	1,500
Repayments of loans	(1,250)	(1,000)
Cash received for unregistered stock	8,813	5,133
Expenses of cash received for unregistered stock	(63)	(32)
Net cash provided by (used in) financing activities	7,500	5,601
Effect of change in exchange rates	6	(37)
Net change in cash and cash equivalents	3,137	2,378
Cash and cash equivalents, beginning of period	7,224	8,949
Cash and cash equivalents, end of period	10,361	11,327

Consolidated Statement of Shareholders' Equity

in EUR thousand					Other reserves			Total shareholders' equity
Common shares (Number shares)	Subscribed capital	Contribution made for the impl. of a capital increase	Capital reserve	Conversion reserve	Cumulative profit/ loss	Cumulative currency differences		
Balance, January 1, 2019	34,851,831	34,851	0	9,738	(93)	(32,827)	1,977	13,646
Total comprehensive income						(3,891)	2	(3,889)
Issue of new shares	4,356,478	4,357	3,847	547				8,751
Balance, June 30, 2019	39,208,309	39,208	3,847	10,285	(93)	(36,718)	1,979	18,508
Balance, January 1, 2018	31,683,484	31,683	0	7,806	(93)	(26,085)	2,019	15,330
Total comprehensive income						(2,151)	(30)	(2,181)
Issue of new shares	3,168,347	3,168		1,933				5,101
Balance, June 30, 2018	34,851,831	34,851	0	9,739	(93)	(28,236)	1,989	18,250

Notes on the Consolidated Financial Statements as of June 30, 2019

General disclosures

This interim report as of June 30, 2019 is unaudited and must be read in conjunction with the consolidated financial statements and the associated notes to the consolidated financial statements for fiscal year 2018. The consolidated financial statements and the notes to the consolidated financial statements are contained in the Company's Annual Report for the fiscal year ended December 31, 2018. The 2018 Annual Report is available on the Company's web site at <https://www.intershop.com/financial-reports>.

Accounting principles (Compliance statement)

The interim consolidated financial statements of INTERSHOP Communications AG were prepared in accordance with the International Financial Reporting Standards (IFRSs) valid at the balance sheet date, which include standard (IFRS, IAS) adopted by IASB, and the Interpretations (IFRIC, SIC) issued by the International Financial Reporting Interpretations Committee (IFRS IC), as adopted by the EU. The interim consolidated financial statements have been prepared in euros. Unless stated otherwise, all amounts are given as thousands of euros (EUR thousand). Figures are rounded to the nearest thousand and totals may not sum due to rounding.

Basis of consolidation

The scope of consolidation of the entities of INTERSHOP Communications AG includes, as of June 30, 2019, in addition to the parent company, the subsidiaries Intershop Communications, Inc., Intershop Communications Australia Pty Ltd, Intershop Communications Asia Limited, The Bakery GmbH, Intershop Communications Ventures GmbH, Intershop Communications SARL as well as Intershop Communications LTD.

Accounting policies

The same accounting policies were used to prepare this interim report as for the consolidated financial statements for fiscal year 2018. The policies used are described in detail on pages 46 to 53 of the 2018 Annual Report.

Equity

The change in equity of INTERSHOP Communications AG is shown in the consolidated statement of changes in equity.

The Management Board of INTERSHOP Communications AG, with the consent of the Supervisory Board, resolved on January 9, 2019 to increase the capital, making partial use of the Authorized Capital II with subscription rights for shareholders at a ratio of 8:1 at a subscription price of EUR 1.14. The capital increase with subscription rights was successful and a total of 4,356,478 new shares were allocated. The capital increase became effective

upon registration in the commercial register (*Handelsregister*) at the Jena Local Court (*Amtsgericht*) on February 14, 2019. Subscribed capital increased by EUR 4,356,478 to EUR 39,208,309 and is divided into 39,208,309 non-par value bearer shares. Authorized Capital II decreased by EUR 4,356,478 from EUR 9,500,000 to EUR 5,143,522.

The Annual Stockholders' Meeting on May 29, 2019 resolved to cancel Authorized Capital I in the amount of EUR 3,167,653 and Authorized Capital II in the amount of EUR 5,143,522 and to create a new Authorized Capital I in the amount of EUR 12,000,000. Accordingly, the Management Board is authorized, subject to approval by the Supervisory Board, to increase the share capital once or multiple times by a total of up to EUR 12,000,000 against cash contributions and/or contributions in kind, by issuing new no-par value bearer shares. The Management Board's authorization is valid until June 7, 2024. The Management Board is authorized, subject to approval of the Supervisory Board, to exclude the stockholders' subscription rights in certain cases. The new Approved Capital I was entered in the commercial register on June 7, 2019.

On June 25, 2019, Intershop's Management Board, with the consent of the Supervisory Board, resolved to increase capital utilizing Authorized Capital. The resolution states that the share capital would be increased from EUR 39,208,309 to EUR 42,582,492 by issuing 3,374,183 new no-par value bearer shares against cash contributions and excluding the right of subscription of the shareholders. The placement price for the new shares came to EUR 1.14 per share. The capital increase was entered in the commercial register after the interim balance sheet date on July 5, 2019. The payments received from the capital increase of EUR 3,846,569 were disclosed under a separate item as "Capital contributions to increase capital as resolved" on June 30, 2019. After the capital increase was entered in the commercial register, the item was reclassified accordingly as subscribed capital and capital reserves. After increasing the capital, Authorized Capital still amounts to EUR 8,625,817.

Earnings per share

The calculation of basic and diluted earnings per share is based on the following data:

In EUR thousand	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Basis for calculating basic and diluted earnings per share (earnings after tax)	(1,693)	(1,337)	(3,891)	(2,151)
Weighted average number of ordinary shares (in thousand)	39,208	33,268	36,498	32,080
Earnings per share (basic/diluted) (in EUR)	(0.04)	(0.04)	(0.11)	(0.07)

If the diluted earnings reduce the loss per share or increase the earnings per share, an adjustment is made to the amount of basic earnings per share (antidilutive effect) in accordance with IAS 33.43. If a basic result and diluted result are the same, this may be disclosed in one row as per IAS 33.67.

Segment Reporting

Three months ended June 30, 2019					
in EUR thousand	Europe	U.S.A	Asia/ Pacific	Consolidation	Group
Revenues from external customers					
Software and Cloud Revenue	2,655	565	641	0	3,861
Licenses and Maintenance	2,020	129	190	0	2,339
Licenses	345	0	0	0	345
Maintenance	1,675	129	190	0	1,994
Cloud and Subscription	635	436	451	0	1,522
Service Revenue	2,086	1,329	621	0	4,036
Total revenues from external customers	4,741	1,894	1,262	0	7,897
Intersegment revenues	542	0	1	(543)	0
Total revenues	5,283	1,894	1,263	(543)	7,897
Result from operating activities	(939)	(416)	(263)	0	(1,618)
Financial result					(26)
Earnings before tax					(1,644)
Income taxes					(49)
Earnings after tax					(1,693)

Three months ended June 30, 2018					
in EUR thousand	Europe	U.S.A	Asia/ Pacific	Consolidation	Group
Revenues from external customers					
Software and Cloud Revenue	2,683	570	610	0	3,863
Licenses and Maintenance	2,095	298	171	0	2,564
Licenses	429	149	2	0	580
Maintenance	1,666	149	169	0	1,984
Cloud and Subscription	588	272	439	0	1,299
Service Revenue	2,903	538	567	0	4,008
Total revenues from external customers	5,586	1,108	1,177	0	7,871
Intersegment revenues	8	0	8	(16)	0
Total revenues	5,594	1,108	1,185	(16)	7,871
Result from operating activities	(912)	(167)	(183)	0	(1,262)
Financial result					(42)
Earnings before tax					(1,304)
Income taxes					(33)
Earnings after tax					(1,337)

Six months ended June 30, 2019					
	Europe	U.S.A	Asia/ Pacific	Consoli- dation	Group
in EUR thousand					
Revenues from external customers					
Software and Cloud Revenue	5,688	1,030	1,256	0	7,974
Licenses and Maintenance	4,356	275	369	0	5,000
Licenses	981	0	0	0	981
Maintenance	3,375	275	369	0	4,019
Cloud and Subscription	1,332	755	887	0	2,974
Service Revenue	4,247	1,976	1,023	0	7,246
Total revenues from external customers	9,935	3,006	2,279	0	15,220
Intersegment revenues	611	0	4	(615)	0
Total revenues	10,546	3,006	2,283	(615)	15,220
Result from operating activities	(2,459)	(743)	(562)	0	(3,764)
Financial result					(58)
Earnings before tax					(3,822)
Income taxes					(69)
Earnings after tax					(3,891)

Three months ended June 30, 2018					
	Europe	U.S.A	Asia/ Pacific	Consoli- dation	Group
in EUR thousand					
Revenues from external customers					
Software and Cloud Revenue	5,581	952	1,221	0	7,754
Licenses and Maintenance	4,444	450	341	0	5,235
Licenses	1,141	149	6	0	1,296
Maintenance	3,303	301	335	0	3,939
Cloud and Subscription	1,137	502	880	0	2,519
Service Revenue	6,070	1,116	1,073	0	8,259
Total revenues from external customers	11,651	2,068	2,294	0	16,013
Intersegment revenues	25	0	8	(33)	0
Total revenues	11,676	2,068	2,302	(33)	16,013
Result from operating activities	(1,464)	(255)	(282)	0	(2,001)
Financial result					(82)
Earnings before tax					(2,083)
Income taxes					(68)
Earnings after tax					(2,151)

Litigation

In the first six months of fiscal year 2019, no changes took place with regard to the legal disputes disclosed on page 70 of the 2018 Annual Report.

Directors' holdings and Securities transactions subject to reporting requirements

As of June 30, 2019, the company's executive body members held the following number of Intershop ordinary bearer shares:

Name	Function	Shares
Christian Oecking	Chairman of the Supervisory Board	40,272
Ulrich Prädel	Vice Chairman of the Supervisory Board	12,686
Univ.-Prof. Dr. Louis Velthuis	Member of the Supervisory Board	16,799
Dr. Jochen Wiechen	CEO of the Board of Management	107,983
Markus Klahn	Member of the Board of Management	34,099

In the first six months of 2019, the members of the company's executive bodies completed the following securities transactions involving Intershop non-par bearer shares:

Name	Date	Type of transaction	Amount	Total value (EUR)
Christian Oecking	02/14/2019	Exercised subscription rights	20,272	23,110
Ulrich Prädel	02/14/2019	Exercised subscription rights	4,686	5,342
Univ.-Prof. Dr. Louis Velthuis	02/14/2019	Exercised subscription rights	6,799	7,751
Dr. Jochen Wiechen	02/14/2019	Exercised subscription rights	17,983	20,501
Markus Klahn	02/14/2019	Exercised subscription rights	3,788	4,318

Events subsequent to the balance sheet date

On June 25, 2019, the Management Board, with the consent of the Supervisory Board, resolved to issue 3,374,183 new shares against cash contributions and excluding the right of subscription of the shareholders. The placement price for the new shares came to EUR 1.14 per share. The Company received a total of EUR 3,874 thousand as of June 30, 2019. The capital increase became effective upon registration in the commercial register on July 5, 2019.

No other material events that must be reported occurred after the balance sheet date.

Responsibility statement

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

Intershop-Shares

Stock Market Data on Intershop Shares	
ISIN	DE000A0EPUH1
WKN	A0EPUH
Stock market symbol	ISH2
Admission segment	Prime standard/Regulated market
Sector	Software
Membership of Deutsche Börse indices	CDAX, Prime All Share, Technology All Share

Key figures for Intershop shares		6M 2019	2018	6M 2018
Closing price ¹	in EUR	1.18	1.35	1.66
Number of shares outstanding (end of period)	in million shares	39.21	34.85	34.85
Market capitalization	in EUR million	46.27	47.05	57.85
Earnings per share	in EUR	(0.11)	(0.20)	(0.07)
Cashflow per share	in EUR	(0.06)	(0.12)	(0.05)
Carrying amount per share	in EUR	0.47	0.39	0.52
Average trading volume per day ²	Number	40,071	34,442	37,876
Free float	in %	55	62	62

¹ Basis: Xetra

² Basis: all stock exchanges

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This interim report contains forward-looking statements regarding future events or the future financial and operational performance of Intershop, actual events or results may differ materially from the results presented in these forward-looking statements or from the results expected according to these statements, risks and uncertainties that could lead to such differences include Intershop's limited operating history, the limited predictability of revenues and expenses, and potential fluctuations in revenues and operating results, significant dependence on large individual customer orders, customer trends, the level of competition, seasonal fluctuations, risks relating to electronic security, possible state regulation, and the general economic situation.