Half-Year Interim Report 2022

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Consolidated Key Figures

		Q2 2022	Q2 2021	Half-yearly report 2022	Half-yearly report 2021
Incoming orders	(EUR million)	55.9	25.0	90.7	48.8
Orders on hand	(EUR million)			77.5	23.5
Revenue	(EUR million)	25.0	19.4	45.6	39.5
EBITDA (IFRS)	(EUR million)	4.2	1.4	4.9	3.7
EBIT (IFRS)	(EUR million)	1.9	–0.6	0.4	–0.2
EBIT (operating)	(EUR million)	1.5	0.0	0.7	1.0
Consolidated profit (IFRS)	(EUR million)	1.3	–1.0	0.2	–0.2
Earnings per share (IFRS)	(EUR)	0.14	–0.11	0.02	–0.02
Non-current assets	(EUR million)			66.5	63.8
Current assets	(EUR million)			41.6	38.6
Equity	(EUR million)			62.8	62.4
Equity ratio				58.1 %	61.5 %
Cash and cash equivalents	(EUR million)			7.1	12.5
Number of employees (as of June 30)				383	392

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Letter from the CEO

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

The favorable revenue trend that we observed in the first quarter of this year gained momentum in the second quarter as demand for our products and services continues to grow. Incoming orders and orders on hand reached record highs, laying the foundations for broad-based growth both now and in the future.

The surge in incoming orders, which rose from EUR 48.8 million in the prior-year period to EUR 90.7 million in the current year, is unique in Softing AG's more than 40-year history. Orders on hand came to EUR 77.5 million as of June 30, an impressive EUR 54.0 million increase year-on-year. This underscores our customers' trust in us and the fact that their need for our services and products is growing faster than ever before. It also puts into perspective the loss of almost EUR 1 million in full-year revenue with Russia and the marked decline in the business of Softing Shanghai in China, which had previously been growing apace.

However, the exceedingly high level of orders on hand is not only cause for celebration, as it is partly the result of a persistently dysfunctional situation in the procurement of electronic components. In some cases, semiconductor manufacturers are confirming delivery times in excess of one year for regular orders, though the components may actually be delivered earlier or even later. Even though our revenue from pure software and services is growing, many of our communications solutions for industrial automation and also for automotive markets are tied to hardware. This makes it difficult for us to give our customers reliable delivery dates for these products. Nevertheless, we still expect a sharp rise in deliveries in the second half of the year.

The economic and political environment remains challenging. Now in the third year of the COVID-19 pandemic, we have more or less resigned ourselves to living with the virus. The statistics of rising infection rates with hospitalization rates remaining low indicate that overall the consequences of an infection are becoming more manageable. Yet, instead of the situation improving as COVID concerns fade away, since the end of February we have had to cope both mentally and financially with Russia's brutal invasion of Ukraine – a war at the heart of Europe that one can only describe as a war of annihilation. It appears that rather than seeking military domination Russia is looking to obliterate a country and its people. War crimes and rape are not only tolerated; they are rewarded with medals. This is truly sickening. Nevertheless, Germany's ruling party is unable to expel former Chancellor Schröder, who everyone can see acts as the informal government spokesman for a criminal regime. This shows how deeply the enemies of democracy have bought and infiltrated the leadership structures of not only left-wing and right-wing fringes, but also this former people's party. The unexplained sum of EUR 200,000 recently found in a locker owned by a member of this party's leadership circle sadly underlines this.

Looking at things from a historical perspective, it must be said that the current threat to Europe sends shivers down one's spine. While not a core element of our business activities, it is certainly a moral compass of them. Our own history has taught us that we must never yield to wars of annihilation caused by inhuman dictatorships by making concessions of any kind. There can be no doubt that Russia would want to force other European countries under its yoke once more as soon as it has the military might again to do so. It is not that long ago that even large parts of Germany were occupied by Russia. Yet in spite of the propaganda and the conformist media, a sense of good and evil could not be suppressed back then, and the same is also true now. Many Russians in Russia or living in exile are suffering as a result of what is happening in their country's name. This, too, is reminiscent of what happened in Germany in the past and is a warning to us not to condemn a whole society: Guilt can never be collective, only personal.

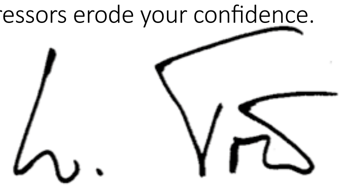
The quarterly results are heavily impacted by the environment I just described, but longer-term planning and the project and product pipeline are more important, particularly in the technology sector. In addition to the here and now, a pipeline built up over the years must provide the products for tomorrow and beyond. Just recently, we reported that a leading automaker had awarded Softing Automotive a contract worth more than EUR 10 million to develop and supply a production system. We expect this to be followed by further significant orders of the same magnitude during the next few years, giving a boost to revenue from 2023. There is still some potential for us to continue our positive newsflow at Automotive and Globalmatix. A new family of state-of-the-art network switches for the process industry is being launched in the Industrial Automation segment that will generate substantial additional revenue in two to three years. Siemens has included our software modules for edge connectivity in manufacturing in its promotional materials. Softing IT Networks will deliver two completely newly developed test devices for the first time in August, for which many orders have been placed. Here, too, producing sufficient quantities will be the biggest challenge.

The surge in revenue and earnings in the second quarter of 2022 pushed the Group's revenue and earnings figures for the first half-year into positive territory as well, although cost increases before price adjustments were passed on to our customers weighed on earnings. You can read about this in detail in our interim Group management report on the following pages.

In the current environment of considerable external uncertainty, any full-year revenue and earnings guidance has a broad spread. Short-term revenue recognition is largely decided by the allocation of electronic components rather than entrepreneurial talent. Add to this the galloping inflation that is forcing central banks to raise interest rates, with all of the operational and financial repercussions this has for the real economy. Based on our best possible estimate, we stand by our guidance for the current financial year 2022. That said, it is equally conceivable that the procurement situation will deteriorate further. This scenario would act as a drag on our earnings and lead to a course of business similar to that observed in the previous year. However, if we are positively surprised by a number of key suppliers and receive critical components far earlier than announced, due to the high level of orders on hand the Group could also generate revenue in excess of EUR 100 million for the first time. On the other hand, we firmly believe that a strong growth and earnings spurt will set in over a longer period of around 18 months.

In spite of the huge challenges facing us, we are therefore highly optimistic about the future. We look forward to your sustained support and hope that you will not let existing uncertainty in the economy or hollow threats from aggressors erode your confidence.

Sincerely yours,



Dr. Wolfgang Trier
(Chief Executive Officer)

Softing Shares

EQUITY MARKETS WELCOME NEW MAJOR ORDERS AND NEW MAJOR CUSTOMERS

Softing's shares began the year at a price of EUR 6.90 and reached their first interim high of EUR 7.78 as early as January 14, before dropping considerably to an interim low of EUR 6.54 on January 24. Following a short recovery, the shares performed in line with the general trend triggered by Russia's war of aggression against Ukraine and reached their low for the year of EUR 5.40 on 7 March. A volatile but steady upward trend until the end of April leading to prices around the EUR 6.30 mark was followed by a longer downward trend as the shares reached their most recent interim low of EUR 5.50 on 11 July of this year. After Softing had announced a new major, multi-year order at the end of July, the shares surged to their current price level of around EUR 6.80. At the end of the first half on June 30, 2022, the shares traded at EUR 5.76. Softing shares are currently (August 4, 2022) trading at a considerably higher price of EUR 6.70. As a result, the market capitalization of Softing AG currently amounts to EUR 61.0 million (previous year: EUR 61.4 million). The share capital of Softing AG remains unchanged at EUR 9,105,381, divided into the same number of no-par-value shares.

During the reporting period, the average daily trading volume of Softing shares was 2,995 shares (Xetra and floor trading), which is much lower than what in the previous year was already a considerably reduced figure of 5,544 shares. Softing supports the liquidity of its shares by using two designated sponsors, ICF Bank AG Wertpapierhandelsbank and M.M. Warburg & CO (AG & CO.) KGaA.

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

On May 6, 2022, the ordinary General Shareholders' Meeting of Softing AG adopted a resolution to distribute a higher dividend of EUR 0.10 (previous year: EUR 0.04) per no-par share.

SHAREHOLDER STRUCTURE

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

ANALYST RECOMMENDATIONS

Warburg Research has analyzed the Softing share regularly for years in research reports and has already published four updates on the share by the date of publication in 2022. The most recent update of July 21, 2021 confirms the buy recommendation, stating a price target of EUR 7.20. Given the trend in key interest rates, Warburg Research raises the risk-free interest rate for all companies in its own research coverage from 2.00% to 2.75%. This results in a reduced price target of EUR 7.20 (previously EUR 7.90).

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

BASIC DATA OF THE SOFTING SHARE

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

PRICE OF THE SOFTING SHARE FROM 07/01/2021 TO 07/31/2022 (XETRA)

FINANCIAL CALENDAR

August 12, 2022	Interim report Q2/6M 2022
November 15, 2022	Interim management statement Q3/9M 2022
November 28-30, 2022	German Equity Forum in Frankfurt/Main

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

REPORT ON NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

While the deterioration and upheaval in economic conditions directly triggered by the COVID-19 pandemic clearly subsided in Softing's most important global markets, the indirect effects that led to a global procurement crisis for electronic components had a huge adverse impact on economic activity in the first half of 2022. Russia's war of destruction against Ukraine caused further procurement upheaval, and it is not currently possible to predict when the situation might improve. This resulted in a bizarre situation across the entire Softing Group consisting of record incoming orders on one hand and severely restricted delivery capabilities on the other.

Incoming orders rose from EUR 48.8 million to EUR 90.7 million, reaching a volume never before seen in more than 40 years of business at Softing. The aforementioned figures do not take into account a single incoming order of around EUR 9.5 million that will affect the periods after 2023. By introducing a range of initiatives such as strengthening our purchasing departments, accepting higher purchase prices, supporting our contract manufacturers and sensibly redesigning some of our products, we are hoping to process at least part of this high order intake in the second half of 2022. Our greatest challenge here is to ensure the availability of electronic components that are essential for production. Our customers are accepting most of the justified price increases we pass on to them, as they find themselves in a similarly difficult situation.

Orders on hand at the end of the first six months of 2022 were EUR 77.5 million, EUR 54.0 million higher than at the same time last year. This level of orders on hand is hardly at any risk from cancellations, as we play a major role as a supplier to major industrial companies who are also having to process customer projects under challenging conditions.

Consolidated revenue totaled EUR 45.6 million in the first half of 2022, representing an increase of 15.5% compared with the same period of the previous year. Other operating income includes currency gains of EUR 2.8 million (previous year: EUR 0.5 million). Due to the revenue situation and crisis, inventories grew by 20% from EUR 17.7 million in the previous year to EUR 22.2 million in 2022. After passing the peak of the COVID-19 pandemic, personnel expenses rose from EUR 16.4 million in 2021 to EUR 18.0 million during the current year. Our US subsidiaries received “PPP loans” totaling EUR 0.9 million during the previous year under the first government support program launched in the USA. Softing also received support payments amounting to EUR 0.2 million for other companies, with personnel expenses rising by just 3.0% when adjusted for these one-off effects in 2021.

Revenue in Softing's largest segment, Industrial, rose by around 12.3% from EUR 29.0 million to EUR 32.6 million in the first six months of the year. EBIT fell from EUR 2.0 million to EUR 1.2 million, while operating EBIT dropped from EUR 3.0 million to EUR 1.6 million. This decline is primarily due to the procurement crisis affecting US subsidiary OLDI, as well as the recognition in profit or loss of EUR 0.9 million in COVID-19 aid in 2021 that was no longer received in 2022.

There were initial signs of an improvement in the situation in the Automotive segment after the COVID-19 crisis, with revenue rising by 40.5% from EUR 6.5 million to EUR 9.3 million. There are positive signals from the expansion of the GlobalmatiX subsidiary's business, which generated revenue of EUR >1.0 million for the first time in the first half of 2022. Despite a surge in revenue, EBIT only improved from EUR –2.1 million to EUR –1.9 million year-on-year because of a higher cost base compared to the first six months of 2021 and a large proportion of low-margin hardware products within GlobalmatiX's revenue. Operating EBIT improved from EUR –1.9 million to EUR –1.2 million.

The IT Networks segment severely felt the procurement crisis and the looming construction crisis in the second quarter. Revenue decreased by 14.6% from EUR 3.4 million to EUR 2.9 million in the first six months of 2022. EBIT fell from EUR 0.2 million to EUR –0.8 million, while operating EBIT dropped from EUR –0.0 million to EUR –0.9 million.

The Group's EBITDA rose from EUR 3.7 million to EUR 4.9 million in the first half of the year, with the EBITDA margin increasing from 9.5% in 2021 to 10.7% in the first half of 2022.

The Group's operating EBIT (EBIT adjusted for capitalized development services and amortization on these as well as effects from purchase price allocation) came to EUR 1.9 million as of June 2022, after operating EBIT of EUR 1.1 million in the previous year. EBIT turned positive from EUR –0.2 million to EUR 0.4 million.

This resulted in consolidated profit of EUR 0.2 million after a loss of EUR 0.2 million in the first half of 2021. Accordingly, earnings per share were EUR 0.02 in the first half of 2022, compared with EUR –0.02 in the previous year.

The Group had cash of EUR 7.1 million as of June 30, 2022, compared with EUR 9.6 million as of December 31, 2021. Cash flow from operating activities after six months totaled EUR 3.1 million after EUR 7.9 million in the prior-year period as a result of higher inventory levels and a temporary increase in receivables. Capital expenditure on property, plant, and equipment was made for replacement purposes and to strengthen network security in connection with the higher threat of cybercrime. Please refer to the Research and Development section for information on investments in products. Cash flow from financing activities in the amount of EUR –2.7 million was dominated by the payment of the 2022 dividend of EUR 0.9 million and the net repayment of loans of EUR 1.0 million.

Overall, this translates into an equity ratio of 58% as of June 30, 2022 (61% as of June 30, 2021).

RESEARCH AND PRODUCT DEVELOPMENT

In the first six months of 2022, Softing capitalized internal and external expenses of EUR 1.7 million (after EUR 1.4 million in the previous year) for the development of new products and the enhancement of existing ones. GlobalmatiX AG also continued to invest in its future mobile communications infrastructure. New and improved products will be launched by the Industrial and IT Networks segments in the second half of 2022. Further development services for product maintenance were expensed.

EMPLOYEES

As of June 30, 2022, the Group had 383 employees (previous year: 392). No stock options were issued to employees in the reporting period.

OPPORTUNITIES AND RISKS FOR THE COMPANY'S FUTURE DEVELOPMENT

The Company's risk structure as of the June 30, 2022 reporting date and looking ahead to the second half of 2022 has changed from the description in the consolidated financial statements for the year ended December 31, 2021, particularly with regard to the COVID-19 pandemic and the procurement crisis. The procurement crisis has been further exacerbated by Russia's destructive war in Ukraine and lockdowns in China, while the direct impacts of a COVID-19 pandemic that is now two-and-a-half years old have been pushed into the background. According to estimates from many institutions (ECB, World Bank, ifo Institute, etc.) the currently rising inflation, which is being further fueled by surging energy prices, is expected to remain high. The year-on-year upsurge in prices will most likely increase sharply in 2022. In risk management terms, this means implementing measures aimed at improving profitability. In spite of the steps taken, the risks cannot be controlled completely. We expect to see revenue shifts to later periods. We do not anticipate a significant loss of revenue that is not directly realizable because most of our products cannot be easily replaced in our customers' value chains.

Russia's war of aggression massively increased geopolitical uncertainty in the first half of the year. The sanctions Western nations have imposed on Russia could soften demand. Because Softing AG's customer base is essentially limited to Western countries, we do not fear any direct negative impacts on our business model. Even before the war, there were no direct business relations with Russia worth mentioning. However, were the conflict to drag out further or even escalate, Germany and Europe could experience major shortages of energy, leading to economic slowdowns, which would also affect Softing AG. We do not currently see a triggering event necessitating an unscheduled impairment test, but are monitoring the situation closely nonetheless.

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

- Forecast scenarios based on different models for the economic development of the impact of the difficult procurement situation
- Stepping up the efforts of the purchasing departments and making flexible use of short-term opportunities while taking cost-benefit analysis into account
- Redesigning highly popular hardware products and making corresponding changes to software
- Supporting our producers by helping to finance stock levels of existing components

- Negotiating with customers on flexible pricing due to higher purchase prices
- Continuously exchanging information with relevant managers and providing mutual support between Group companies in procuring components.

Given the current economic and political conditions, we generally do not anticipate a significant improvement in the procurement situation for the remainder of 2022. While the looming energy crisis may have a major effect on production, it is not currently possible to assess its impact. Although Softing is not directly affected by the provision of gas, it could encounter additional difficulties in procuring electronic components. However, as a development and distribution company, Softing is directly dependent on sufficient electricity supplies. Prolonged electricity supply outages would bring its business activities to a standstill. For this reason, Softing does not approve of phasing out the remaining nuclear power plants that provide a basic supply of electricity in Germany.

The Group takes the issue of cyber security and the potential widening of hostilities in this area extremely seriously. It has implemented the recommendations issued by authorities, and is currently adjusting them by coordinating and comparing with other companies to determine its own position. Softing has invested substantial sums in cyber security and provides its staff with regular training on the subject. As no company is immune from a cyber attack, it is essential to ensure that resilience and recoverability are built into IT systems and that all employees remain vigilant. Softing achieved TISAX Level 3 Certification for data security in the automotive sector during the first half of 2022. Overall, we are currently still expecting results of operations to improve in the second half of the year. For information on other risks and opportunities, we refer to the Group Management Report in the 2021 Annual Report, page 10 et seq.

COVID-19 PANDEMIC, PROCUREMENT CRISIS, COMPONENT SHORTAGE AND RECESSION SCENARIO

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

The only direct impact of the COVID-19 pandemic on Softing's business in the first half of 2022 was a slightly higher sickness rate. In accordance with government guidelines, we relaxed our coronavirus measures to a level that ensures continued caution but no longer adversely impacts our business. We introduced additional remote working arrangements and continue to observe hygiene measures. In the first half of 2022, the Softing Group took only very limited advantage of government support measures in the form of temporary short-time work. Government grants totaled less than EUR 20 thousand (previous year: EUR 246 thousand) as only one German company utilized this kind of support.

The grants of EUR 0.9 million received for our American subsidiaries in 2021 were "PPP loans" under the first government support program launched in the USA. No further government support was utilized in the first half of 2022.

As of June 30, 2022, the Softing Group has cash and cash equivalents of EUR 7.1 million, current receivables of EUR 16.5 million and agreed but not yet drawn down credit lines of around EUR 7.3 million at its disposal. This means that the Group has up to EUR 30.9 million in near cash funds available at short notice to tackle the crises.

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

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

Receivables management is being monitored more closely during the crisis, and no deterioration in customer payment behavior has been observed so far. This is also due to the fact that most of Softing's customers are large international corporations with sufficient funds.

Our prudent planning does not yet include any significant changes arising from the COVID-19 pandemic and the associated procurement crisis for the first half of 2022 – an assumption that has proven to be correct. We continue to expect an improved recovery in the second half of 2022 and are currently confirming our forecast scenario from the 2021 financial statements. However, an energy crisis and any accompanying deterioration in the procurement situation may have a negative impact on earnings and would result in a similar course of business to the previous year, with slightly negative EBIT and operating EBIT at 2021 levels across the segments and the Group. The consequences of a global recession are currently impossible to estimate and can only be assessed once they arise.

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

EVENTS AFTER THE REPORTING PERIOD

There were no events of special importance after the reporting date of June 30, 2022.

GENERAL ACCOUNTING POLICIES

The consolidated financial statements of Softing AG as of December 31, 2021 were prepared in accordance with the International Financial Reporting Standards (IFRSs) based on the guidance of the International Accounting Standards Board (IASB) applicable at the reporting date. The condensed interim consolidated financial statements as of June 30, 2022, which were prepared on the basis of International Accounting Standard (IAS) 34 „Interim Financial Reporting", do not contain all of the required information in accordance with the requirements for the presentation of the annual report and should be read in conjunction with the consolidated financial statements of Softing AG as of December 31, 2021. In general, the same accounting policies were applied in the interim financial statements as of June 30, 2022 as in the consolidated financial statements for the 2021 financial year. This 2022 half-yearly report was prepared without an auditor's review.

CHANGES IN THE BASIS OF CONSOLIDATION

As of June 30, 2022, there were changes in the basis of consolidation of Softing AG compared to December 31, 2021 related to the establishment of GlobalmatiX GmbH. Newly founded GlobalmatiX GmbH, located in Haar, will support sales in Europe of the products of Liechtenstein-based GlobalmatiX AG. Furthermore, Softing Automotive Electronics GmbH, Kirchentellinsfurt, was merged with Softing Automotive Electronics GmbH, Haar. The merger served to increase the efficiency of development processes and simplify administration.

RESPONSIBILITY STATEMENT

The condensed interim consolidated financial statements for the first half of 2022 were released for publication on August 12, 2022 by resolution of the Executive Board.

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

Haar, Germany, August 12, 2022

Softing AG

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

Consolidated Income Statement

from January 1 to June 30, 2022

EUR thousand	01/01/ – 06/30/2022	01/01/ – 06/30/2021	04/01/ – 06/30/2022	04/01/ – 06/30/2021
Revenue	**45,593**	**39,460**	**24,955**	**19,371**
Other own work capitalized	1,750	1,423	815	860
Other operating income	3,033	1,597	2,773	902
Operating income	**50,376**	**42,479**	**28,543**	**21,133**
Cost of materials / cost of purchased services	–22,074	–17,722	–12,465	–9,137
Staff costs	–18,023	–16,375	–9,025	–8,009
Depreciation, amortization and impairment losses	–4,455	–3,941	–2,251	–1,976
thereof depreciation / amortization due to purchase price allocation	–829	–789	–420	–395
thereof depreciation/amortization due to lease accounting	–646	–622	–333	–310
Other operating expenses	–5,394	–4,661	–2,900	–2,584
Operating expenses	**–49,946**	**–42,699**	**–26,641**	**–21,706**
Profit / loss from operations (EBIT)	**430**	**–220**	**1,902**	**–573**
Interest income	4	1	4	0
Interest expense	–95	–107	–45	–58
Interest expense from lease accounting	–60	–46	–36	–22
Other finance income/finance costs	100	483	–112	–139
Earnings before income taxes	**379**	**111**	**1,713**	**–792**
Income taxes	–179	–326	–365	–162
Consolidated profit	**200**	**–214**	**1,348**	**–954**
Consolidated profit attributable to:				
Shareholders of Softing AG	–97	–313	1,128	–960
Non-controlling interests	297	99	220	6
Consolidated profit	**200**	**–214**	**1,348**	**–954**
Earnings per share (basic = diluted)	0.02	–0.02	0.14	–0.11
Average number of shares outstanding (basic)	9,015,381	9,015,381	9,015,381	9,015,381

Consolidated Statement of Comprehensive Income

from January 1 to June 30, 2022

EUR thousand	01/01/ – 06/30/2022	01/01/ – 06/30/2021	04/01/ – 06/30/2022	04/01/ – 06/30/2021
Consolidated profit	**200**	**–214**	**1,348**	**–954**
Items that will be reclassified to consolidated total comprehensive income:				
Currency translation differences				
Changes in unrealized gains / losses	–619	–20	–837	–497
Tax effect	555		532	46
Total currency translation remeasurements	**–64**	**–20**	**–305**	**–451**
Other comprehensive inco0me	**–64**	**–20**	**–305**	**–451**
Total Consolidated profite for the period	**136**	**–234**	**1,043**	**–1,405**
Total consolidated comprehensive income for the period attributable to:				
Shareholders of Softing AG	–161	–333	823	–1,411
Non-controlling interests	297	99	220	6
Total consolidated comprehensive income for the period	**136**	**–234**	**1,043**	**–1,405**

Consolidated Statement of Financial Position

as of June 30, 2022

Assets	06/30/2022 EUR (in thsds.)	12/31/2021 EUR (in thsds.)
Non-current assets		
Goodwill	17,727	17,064
Other intangible assets	38,811	38,770
Other financial assets	1,500	1,500
Property, plant and equipment	7,860	4,758
Deferred tax assets	645	433
Non-current assets, total	**66,543**	**62,525**
Current assets		
Inventories	16,095	13,409
Trade receivables	15,146	14,066
Current financial assets	13	1,345
Contract assets	1,320	307
Current income tax assets	396	538
Cash and cash equivalents	7,120	9,613
Current assets	1,503	1,558
Current assets, total	**41,593**	**40,836**
Total assets	**108,136**	**103,361**

Equity and liabilities	06/30/2022 EUR (in thsds.)	12/31/2021 EUR (in thsds.)
Equity		
Subscribed capital	9,105	9,105
Capital reserves	31,111	31,111
Treasury Shares	–485	–485
Retained earnings	22,133	23,196
Equity attributable to shareholders of Softing AG	61,864	62,927
Non-controlling interests	918	621
Equity, total	**62,782**	**63,548**
Non-current liabilities		
Pensions	2,498	2,605
Long-term borrowings	8,056	9,456
Other non-current financial liabilities	3,987	1,074
Deferred tax liabilities	3,838	3,851
Non-current liabilities, total	**18,379**	**16,986**
Current liabilities		
Trade payables	8,459	7,226
Contract liabilities	5,628	3,471
Provisions	105	164
Income tax liabilities	402	345
Short-term borrowings	3,911	3,510
Other current financial liabilities	8,087	6,945
Current non-financial liabilities	383	1,166
Current liabilities, total	**26,975**	**22,827**
Total equity and liabilities	**108,136**	**103,361**

Consolidated Statement of Changes in Equity

from January 1 to June 30, 2022

	Subscribed capital	Capital reserves	Treasury shares	Retained earnings				Equity attributable to shareholders of Softing AG	Non-controlling interests	Total equity
				Net retained profits and other	Remeasurements	Currency translation	Total			
	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)
Balance as of January 01, 2022	**9,105**	**31,111**	**–485**	**22,961**	**–1,744**	**1,977**	**23,195**	**62,926**	**622**	**63,548**
Consolidated profit 2022				–97			–97	–97	297	200
Other comprehensive income 2022					0	–64	–64	–64	0	–64
of which from remeasurements					0		0	0		0
of which currency translation						–619	–619	–619		–619
of which tax effect					0	555	555	555		555
Total consolidated comprehensive income for the period				**–97**	**0**	**–64**	**–161**	**–161**	**297**	**136**
Dividend payment				–902			–902	–902		–902
Purchase of own shares				0			0	0		0
Changes in minority interests							0	0	0	0
Transactions with owners in their capacity as owners				**–902**			**–902**	**–902**	**0**	**–902**
Balance as of June 30, 2022	**9,105**	**31,111**	**–485**	**21,962**	**–1,744**	**1,913**	**22,132**	**61,863**	**919**	**62,782**

	Subscribed capital	Capital reserves	Treasury shares	Retained earnings				Equity attributable to shareholders of Softing AG	Non-controlling interests	Total equity
				Net retained profits and other	Remeasurements	Currency translation	Total			
	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)
Balance as of January 01, 2021	**9,105**	**31,111**	**–485**	**23,577**	**–2,029**	**1,301**	**22,850**	**62,581**	**429**	**63,010**
Consolidated profit 2021				–255			–255	–255	187	–68
Other comprehensive income 2021					285	676	961	961		961
of which from remeasurements					396		396	396		396
of which currency translation						527	527	527		527
of which tax effect					–111	149	38	38		38
Total consolidated comprehensive income for the period				**–255**	**285**	**676**	**706**	**706**	**187**	**893**
Dividend payment				–361			–361	–361		–361
Changes in minority interests										
Transactions with owners in their capacity as owners									**6**	**6**
Balance as of December 31, 2021				–361			–361	–361	6	–355
Balance as of December 31, 2021	**9,105**	**31,111**	**–485**	**22,961**	**–1,744**	**1,977**	**23,195**	**62,926**	**622**	**63,548**

Consolidated Statement of Cash Flows

from January 1 to June 30, 2022

EUR thousand	01/01/ – 06/30/2022	01/01/ – 06/30/2021
Cash flows from operating activities		
Profit (before tax)	379	111
Depreciation, amortization and impairment losses on fixed assets	4,455	3,941
Other non-cash changes	–1,473	–257
Cash flows for the period	**3,361**	**3,795**
Interest income / Finance income	–100	–484
Interest expense / Finance costs	95	153
Change in other and accrued liabilities	–167	–7
Change in inventories	–2,685	345
Change in trade receivables	–2,093	4,102
Changes in financial receivables and other assets	1,315	–138
Change in trade payables	1,233	–1,418
Changes in financial and non-financial liabilities and other liabilities	2,333	1,709
Interest received / Finance income	4	1
Income taxes received	158	164
Income taxes paid	–319	–291
Cash flows from operating activities	**3,135**	**7,931**
Cash paid for investments in new internal product developments	–1,834	–1,154
Cash paid for investments in new external product developments	–507	–658
Investments in other intangible assets	–16	–18
Cash paid for investments in property, plant and equipment	–418	–586
Cash flows from investing activities	**–2,775**	**–2,416**
Cash paid for dividends	–902	–361
Repayment of lease liabilities	–646	–645
Cash received from short-term bank line	401	701
Cash repayment of bank loans	–1,400	–2,762
Interest from lease accounting	–60	–46
Other interest paid	–95	–107
Total interest paid	–155	–153
Cash flows from financing activities	**–2,702**	**–3,220**
Net change in funds	–2,342	2,295
Effects of exchange rate changes on cash and cash equivalents	–151	72
Cash and cash equivalents at the beginning of the period	9,613	10,166
Cash and cash equivalents at the end of the period	**7,120**	**12,533**

Consolidated Segment Reporting

from January 1 to June 30, 2022

	Industrial		Automotive		IT Networks		Other		Total segments		Other consolidation		Total	
	2022 EUR (in thsds.)	2021 EUR (in thsds.)	2022 EUR (in thsds.)	2021 EUR (in thsds.)	2022 EUR (in thsds.)	2021 EUR (in thsds.)	2022 EUR (in thsds.)	2021 EUR (in thsds.)	2022 EUR (in thsds.)	2021 EUR (in thsds.)	2022 EUR (in thsds.)	2021 EUR (in thsds.)	2022 EUR (in thsds.)	2021 EUR (in thsds.)
Revenues with third parties	32,572	28,989	9,108	6,455	2,956	3,428	958	587	45,593	39,460	0	0	45,593	39,460
Revenues with other segments	184	270	166	123	722	623	6	0	1,079	1,016	–1,079	–1,016	0	0
Total revenue	32,755	29,259	9,275	6,578	3,678	4,052	964	587	46,672	40,476	–1,079	–1,016	45,593	39,460
Depreciation / amortization	–1,516	–1,543	–1,970	–1,695	–427	–259	–543	–446	–4,457	–3,943	2	2	–4,455	–3,941
Impairment of assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating segment result	1,626	2,983	–1,196	–1,930	–943	–1	3,888	–34	3,376	1,018	–1,443	119	1,933	1,137
EBIT	1,200	2,008	–1,937	–2,103	–825	187	3,879	–42	2,317	51	–1,887	–271	430	–220
Segment assets	52,623	46,614	37,434	39,213	13,774	13,868	17,506	21,120	121,243	120,815	–13,201	–18,436	108,135	102,379
of which IFRS 16	558	801	309	478	161	87	3,933	714	4,960	2,080	0	0	4,960	2,080
Segment liabilities	17,566	13,435	11,676	10,643	2,136	2,994	33,651	34,000	65,030	61,072	–19,678	–21,113	45,352	39,958
of which IFRS 16	279	532	167	324	58	42	3,475	351	3,978	1,248	0	0	3,978	1,248
Capital expenditure	868	366	1,082	950	736	685	3,923	416	6,610	2,416	0	0	6,610	2,416

Revenue from contracts with customers recognized over time	Industrial		Automotive		IT Networks		Other		Total	
	2022 EUR (in thsds.)	2021 EUR (in thsds.)	2022 EUR (in thsds.)	2021 EUR (in thsds.)	2022 EUR (in thsds.)	2021 EUR (in thsds.)	2022 EUR (in thsds.)	2021 EUR (in thsds.)	2022 EUR (in thsds.)	2021 EUR (in thsds.)
Point in time	31,607	28,003	4,607	3,285	2,779	3,420	958	587	39,951	35,295
Over time	964	986	4,501	3,170	177	9	0	0	5,642	4,165
Total	32,571	28,989	9,108	6,455	2,956	3,429	958	587	45,593	39,460

Geographical segments:	Revenue		Fixed assets		Additions to fixed assets	
	2022 EUR (in thsds.)	2021 EUR (in thsds.)	2022 EUR (in thsds.)	2021 EUR (in thsds.)	2022 EUR (in thsds.)	2021 EUR (in thsds.)
Germany	13,591	10,623	27,178	26,507	5,680	1,512
USA	14,774	16,208	19,308	17,924	13	16
Other countries	17,228	12,629	19,411	18,529	917	888
Total	**45,593**	**39,460**	**65,897**	**62,960**	**6,610**	**2,416**

Directors’ Holdings

Boards	Number of shares		Number of options	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Supervisory Board				
Matthias Weber (chairman), Chief Financial Officer, Holzkirchen	–	–	–	–
Andreas Kratzer (Deputy chairman), certified public accountant, Zurich, Switzerland	10,155	10,155	–	–
Dr. Klaus Fuchs (member), graduate computer scientist / graduate engineer, Helfant	278,820	278,820	–	–
Executive Board				
Dr.-Ing. Dr. rer. oec. Wolfgang Trier, Munich	163,234	163,234	–	–
Ernst Homolka, Munich	10,900	9,400	–	–

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