

Half-Year Interim Report 2018



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Consolidated Key Figures

		Q2 2018	Q2 2017	Half-yearly report 2018	Half-yearly report 2017
Incoming orders	(EUR million)	23.3	17.8	44.4	39.5
Revenue	(EUR million)	21.4	19.6	39.9	39.4
EBITDA (IFRS)	(EUR million)	1.9	1.6	3.3	3.1
EBIT (IFRS)	(EUR million)	0.7	0.6	1.1	1.0
EBIT (operating)	(EUR million)	0.8	0.0	0.6	0.4
Consolidated profit (IFRS)	(EUR million)	0.9	0.3	0.9	0.6
Earnings per share (IFRS)	(EUR)	0.12	0.05	0.12	0.09
Non-current assets	(EUR million)			63.1	47.2
Current assets	(EUR million)			34.7	34.4
Equity	(EUR million)			66.1	52.6
Equity ratio				68%	64%
Cash and cash equivalents	(EUR million)			8.6	11.2
Number of employees (as of June 30)				405	415

Letter from the CEO

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

As already announced, we are aiming for an increase in incoming orders, revenue and, most importantly, earnings this year. Our focus on consistently recurring sources of revenue and earnings will be particularly significant for our future development. This includes device developments and sales together with service and maintenance agreements. Our 'design-in' products, which are in turn integrated by our customers as a fixed component of their products, are of particular interest in this context. Other key drivers are our licensed white-label products and services, which provide a basis for new subscription models.

GlobalmatiX AG, the subsidiary we acquired in mid-March, is gaining momentum. We are working towards a partnership with a large automotive original equipment manufacturer (OEM). GlobalmatiX is a full MVNO (mobile virtual network operator) provider that will equip commercial vehicle fleets with wireless connected car services in cooperation with its partner. This partner is anticipating further demand for several thousand devices for its customers' test fleets this year. To this end, it will receive the production license it requires from GlobalmatiX to produce the 'black box' that will then be manufactured under its own brand and integrated into the vehicles. This means that GlobalmatiX can focus on the supporting software services in the subscription model and their recurring revenue and earnings as planned. At the same time, a subsidiary of a German manufacturer specializing in connectivity has announced that it wishes to focus exclusively on GlobalmatiX's solution. As a result, intensive technical trials are currently underway that are expected to result in contracts by the end of the year.

Additional momentum is being provided by Softing Technology Shanghai, the joint venture founded in early February with our long-term Chinese project and sales partner. We presented modern diagnostics strategies and Softing products at a full-day workshop held during a roadshow at three automotive sites in July. There was a tremendous level of interest, which meant we could only accommodate 300 of the 600 developers who registered. As a result of our local presence, we have been able to participate in larger tenders for the first time, and the outcome of these processes will be announced at the end of the year.

The operational quality of our traditional software development tool and vehicle interface business has significantly improved. Even before the first delivery of the new diagnostics suite planned for the second half of the year, EBIT in the Automotive segment almost broke even when adjusted for the start-up costs of the new GlobalmatiX subsidiary. This confirms our turnaround after painful losses last year. The outlook remains positive, with one major customer already agreeing to transition to the new diagnostics suite. The Company has also acquired pilot customers for other new products.

Revenue in the IT Networks segment was expected to reach at least EUR 10 million in 2018. As a result, IT Networks qualified as an independent segment, having previously being part of the Industrial segment. This segment continues to pursue an aggressive growth strategy, expanding by 30% year-on-year in the first half of 2018. EBIT in the IT Networks segment is expected to be clearly positive by the end of the year, despite still being slightly negative due to extraordinary items in the first half of the year. Revenue is likely to exceed expectations, with the introduction of two new product ranges in the fourth quarter continuing to drive growth.

The success of the American subsidiaries stands out in the Industrial segment. The US business is performing extremely well and is benefiting from the strong American economy, which, having seen a positive development under Obama, is continuing its robust performance and has so far been unaffected by President Trump's rough-and-ready politics. In Europe, the business is considerably exceeding expectations with software for Industrie 4.0 solutions. The growth of Softing Italia, which is showing excellent earnings quality, is also noteworthy. On the other hand, revenue from gateways and other hardware solutions for connectivity lagged behind expectations. However, we are expecting this area to reach its target with the delivery of a major order of around EUR 2 million starting in September. Order expectations for the next 12 months are highly positive, with orders totaling several million euros currently under negotiation. One initiative with several major customers is exhibiting significant growth potential for the coming year.

Detailed information on the development of individual segments can be found on the following pages in the report on results of operations, financial position and net assets. Generally speaking, both revenue and EBIT will benefit disproportionately towards the end of the year from product innovations in the Industrial segment and the launch of new, high-margin products in the IT Networks and Automotive segments. This seasonality, with product purchasing, delivery and invoicing increasingly shifting into the fourth quarter, makes quarterly earnings forecasts difficult. As a result of our new business model with predictable recurring revenue, we are expecting revenue recognition to smooth out steadily from 2019 onwards. In view of the starting position and very encouraging revenue in recent months, we are confident of reaching our target for profitable revenue growth both this year and even more so in the years to come, starting in 2019.

Sincerely Yours,

A handwritten signature in black ink, appearing to read 'W. Trier', with a stylized flourish at the end.

Dr. Wolfgang Trier
(Chief Executive Officer)

Softing Shares

STRONG, YET VOLATILE EQUITY MARKET

Germany's leading index, the DAX, saw strong volatility in the first half of 2018, as a favorable start and a new record high of 13,597 points on January 23 was followed by a rapid decline in the first quarter to a low of 11,727 points on March 26 – a drop of around 14 percent from the earlier peak. The upward trend towards 13,200 points by mid-May was again followed by a correction to below 12,200 points at the end of June, before the index reached the 12,500-point mark again in the first few days of July. This volatility on the equity market was caused by increasing political and economic uncertainty led by escalating trade disputes between the USA, Europe, and China. The expectation of rising interest rates on the capital markets, particularly in the USA, also had a negative impact on the equity markets.

Softing started the year at a share price of EUR 9.92, reaching its high for the year to date of EUR 11.15 on January 11. By the end of March, it had dropped to EUR 8.34, before falling further to EUR 7.68 by the reporting date on June 29. The share price reached a brief temporary high of EUR 8.70 on July 24 before ending the month at EUR 8.08 (July 30).

During the reporting period, the average daily trading volume of Softing shares was 10,316 (Xetra and floor trading), well below the previous year's figure of 14,306 shares.

GENERAL SHAREHOLDERS' MEETING ADOPTS RESOLUTION TO DISTRIBUTE DIVIDEND OF EUR 0.13 PER SHARE

On May 9, 2018, the General Shareholders' Meeting of Softing AG adopted a resolution to distribute an reduced dividend of EUR 0.13 (previous year: EUR 0.20) 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 2,042,302 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 published two updates on the share in the first half of 2018. Both updates give a target price of EUR 9.70 and issue a hold recommendation.

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 Börse Online, Der Aktionär, Focus Money, Nebenwerte Journal and others.

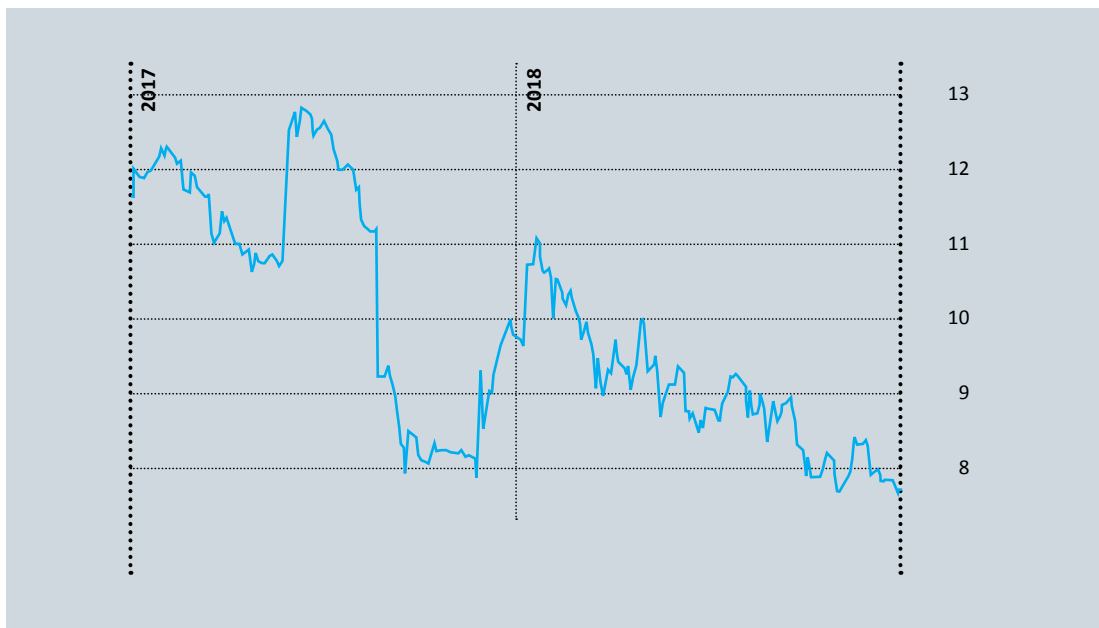
FINANCIAL CALENDAR

08/14/2018	Half-Year Interim Report 2018
11/15/2018	Interim Statement Q3/2018
11/26–28/2018	German Equity Forum in Frankfurt/Main

BASIC DATA OF THE SOFTING SHARE

ISIN / WKN	DE0005178008 / 517800
Sector	Industrial
Subsector	Advanced Industrial Equipment
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 07/03/2017 TO 06/29/2018 (XETRA)



Interim Group Management Report for the 2018 Half-Year Financial Report

REPORT ON RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS

Global economic conditions in the markets most important to Softing are again giving positive signals despite an uneasy political and trade environment.

The performance of the Industrial segment was positive in the US and in Asia, particularly in the second quarter of the year, while stable market performance in Europe also contributed to the segment's healthy result.

Results in the Automotive segment continued to be marked by a high level of development expenses. Delays in development have shifted the launch of some new products into the second half of 2018.

The Softing Group's consolidated revenue in the first six months of 2018 rose slightly by EUR 0.5 million to EUR 39.9 million. The segments turned in a mixed performance. In the Industrial segment, revenue in the first six months of 2018 fell by 2% to EUR 24.9 million (previous year: EUR 25.8 million). Revenue in the Automotive segment was flat at EUR 8.7 million. The IT Networks segment increased revenue significantly by EUR 1.4 million (+29%), rising from EUR 4.9 million to EUR 6.3 million.

Other operating income increased to EUR 0.7 million in the reporting period (previous year: EUR 0.3 million), largely due to foreign exchange income in USD.

The Group's EBITDA totaled EUR 3.3 million in the first six months (previous year: EUR 3.1 million), again resulting in an EBITDA margin of 8%.

The Group's operating EBIT (EBIT adjusted for capitalized development services and amortization on these as well as effects from purchase price allocation) in the reporting period totaled EUR 0.6 million (previous year: EUR 0.4 million).

EBIT amounted to EUR 1.1 million (previous year: EUR 1.0 million). In the Industrial segment, EBIT dropped slightly from EUR 2.1 million to EUR 1.9 million, while operating EBIT fell from EUR 2.4 million to EUR 2.2 million. EBIT in the Automotive segment amounted to EUR -0.6 million (previous year: EUR -0.7 million), with operating EBIT improving by EUR 0.2 million to EUR -1.5 million. This figure includes a charge of EUR 0.4 million relating to new subsidiary Globalmatix AG. EBIT in the IT Networks segment increased from EUR -0.4 million to EUR -0.2 million, while operating EBIT totaled EUR -0.1 million after EUR -0.2 million the previous year.

The resulting consolidated net profit for the half-year rose to EUR 0.9 million compared with EUR 0.6 million in the prior-year period.

Capital expenditure on property, plant, and equipment was incurred for replacements, and in May a dividend of EUR 1.0 million was distributed (previous year: EUR 1.4 million). As of June 30, 2018, cash and cash equivalents fell to EUR 8.6 million (December 31, 2017: EUR 10.3 million).

The equity ratio as of June 30, 2018 rose to 68% (December 31, 2017: 65%). Based on the authorization granted by the General Shareholders' Meeting on May 6, 2015 (Authorized Capital 2015), the Executive Board of Softing AG decided on March 16, 2018 to increase the Company's share capital with the approval of the Supervisory Board

by EUR 1,450,000.00 from EUR 7,655,381.00 to EUR 9,105,381.00 by issuing 1,450,000 new non-par bearer shares against contributions in kind at an issue price of EUR 9.43. This increase helped to fund the acquisition of Globalmatix AG, Vaduz, Liechtenstein.

RESEARCH AND PRODUCT DEVELOPMENT

In the first six months of 2018, Softing again capitalized a total of EUR 2.2 million for the development of new products and the enhancement of existing ones. Work here focused on developing a new generation of the development platform (DTS 9) and the related software components in the Automotive segment and completing the latest generation of communication interfaces (VCI). Other significant amounts were expensed.

EMPLOYEES

As of June 30, 2018, the Group had 405 employees (previous year: 415). No stock options were issued to employees in the reporting period.

OPPORTUNITIES FOR THE COMPANY'S FUTURE DEVELOPMENT

As of the reporting date of June 30, 2018, the Company's risk structure had not deviated significantly from the description in the consolidated financial statements for the year ended December 31, 2017. Material changes are also not expected for the remaining six months of 2018. For more detailed information, we refer to the Group Management Report in the 2017 Annual Report, page 9 et seq.

OUTLOOK

We confirm the Group's guidance published on page 27 of the management report in the 2017 annual report (excluding Globalmatix AG). Overall, we expect both revenue and incoming orders to grow moderately to EUR 80 million.

We anticipate EBIT of EUR 4.0 million, while operating EBIT is expected to come in at EUR 3.7 million. In seasonal terms, we once again expect that the fourth quarter will prove to be the strongest quarter. These statements relate to the Softing Group without the acquisition of Globalmatix AG. Globalmatix AG is likely to contribute approximately EUR 0.8 million of additional revenue and an EBIT of up to EUR –1.0 million.

At segment level, we expect a slight increase in revenue, EBIT and operating EBIT in both the Industrial and IT Networks segments. We expect EBIT and operating EBIT in the Automotive segment to improve considerably as a result of the cost reduction measures introduced.

EVENTS AFTER THE REPORTING PERIOD

There were no events of special importance after the reporting date of June 30, 2018.

GENERAL ACCOUNTING POLICIES

The consolidated financial statements of Softing AG as of December 31, 2017 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, 2018, 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, 2017. In general, the same accounting policies were applied in the interim financial statements as of June 30, 2018 as in the consolidated financial statements for the 2017 financial year. This half-year interim report was prepared without an auditor's review.

CHANGE IN THE BASIS OF CONSOLIDATION**Globalmatix AG**

On March 16, 2018, Softing AG acquired 100% of the shares of Globalmatix AG in Vaduz, Liechtenstein, and fully consolidated the business in its interim consolidated financial statements for the first time on June 30, 2018.

Globalmatix AG is a mobile virtual network operator (MVNO) offering mobile data communications for vehicles and machinery in Europe and North America where such technology is needed in the

areas of (semi-)autonomous driving and other connected services for vehicles and machinery.

This acquisition enables Softing to significantly extend its capabilities in the megatrends of digitalization and Industry 4.0 and lays the foundation for new service-focused revenue.

The fair value of the identifiable consolidated assets and liabilities of the acquired companies and the corresponding consolidated carrying amounts were as follows immediately prior to the time of acquisition:

EUR thousand	Carrying amounts directly preceding the merger	Fair value as of the date of initial consolidation
Intangible assets	0	12,000
Property, plant and equipment	25	25
Cash and cash equivalents	5	5
Short-term borrowings	383	383
Trade payables	131	131
Provisions and accrued liabilities	18	18
Deferred taxes	0	1,500
Net assets (100 %)	- 502	9,998
Consideration / purchase price in shares		13,673
Goodwill		3,675

The Group is amortizing the intangible asset relating to the cellular license arising from the purchase price allocation according to the straight-line method over a period of 15 years.

The goodwill acquired includes the workforce and established relationships with customers and contractual partners.

The gross amount of assets at the time of acquisition corresponds to their fair value.

The purchase price was financed based on the authorization granted by the General Shareholders' Meeting of Softing AG on May 6, 2015 (Authorized Capital 2015). On March 16, 2018, the Executive Board of Softing AG decided to increase the Company's share capital with the approval of the Supervisory Board by EUR 1,450,000.00 from EUR 7,655,381.00 to EUR 9,105,381.00 by issuing 1,450,000 new no-par bearer shares against contributions in kind at an issue price of EUR 9.43. This resulted in a consideration/purchase price of EUR

13,673 thousand in shares. Mr Alois Widmann, Vaduz, Principality of Liechtenstein, was permitted to subscribe to and accept the new shares. Mr Widmann is transferring all of his shares in Globalmatix Aktiengesellschaft, headquartered in Vaduz, Liechtenstein, to the Company. The Company and Mr Widmann entered into the corresponding transfer agreement on March 16, 2018.

The Company spent a total of EUR 44 thousand on drafting and auditing the transfer report and subscription of the new shares, which was directly recognized in the consolidated income statement.

No contingent consideration was agreed.

The goodwill is not tax-deductible.

The statement of comprehensive income for the reporting period includes total revenue of EUR 0.1 million and losses of EUR –0.4 million from Globalmatix AG.

It is not possible to state the revenue and profit or loss of the combined Company for the entire current period, as Globalmatix AG was founded in October 2017 and has an extended financial year until December 31, 2018, which means there are no reliable interim financial statements for the period ending December 31, 2017.

Softing Electronic Science & Technology (Shanghai) Co., Ltd.,

formerly Shanghai Softing software Co., Ltd.

On February 10, 2018, the Company signed an agreement with Beijing Windhill Technology Co., Ltd. on the sale of 50% of the shares in Shanghai Softing software Co., Ltd., Shanghai, China. At the same time, the Company and Beijing Windhill Technology Co., Ltd. entered into an agreement on a future joint venture; the purchase price paid for 50% of the shares was EUR 1 thousand.

Softing is thus taking account of the considerable importance of the Chinese automotive market, which is characterized by a rapidly growing need for product and project solutions in Softing's core area of expertise, the diagnostics of control units. Up to 50 experienced sales and development employees are available to Softing Electronic Science & Technology (Shanghai) Co., Ltd. in the Shanghai and Beijing offices.

Softing Electronic Science & Technology (Shanghai) Co., Ltd., formerly Shanghai Softing software Co., Ltd., will continue to be included in the group of consolidated affiliated companies because Softing is responsible for the company's economic and financial management. Softing holds two of the three seats on the Board of Directors and Softing Electronic Science & Technology (Shanghai) Co., Ltd. is dependent on the marketing of products developed by subsidiaries of Softing.

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 result of operations, financial position and net assets 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 14, 2017

Softing AG

The Executive Board



Dr. Wolfgang Trier
Chief Executive Officer



Ernst Homolka
Executive Board member

Consolidated Income Statement and Consolidated Statement of Comprehensive Income

from January 1 to June 30, 2018

EUR thousand	04/01/ – 06/30/2018	04/01/ – 06/30/2017	01/01/ – 06/30/2018	01/01/ – 06/30/2017
Revenue	21,418	19,568	39,932	39,372
Other own work capitalized	902	1,307	2,245	2,220
Other operating income	470	186	658	292
Operating income	22,790	21,061	42,835	41,884
Cost of materials / cost of purchased services	-9,451	-7,727	-17,455	-15,665
Staff costs	-8,557	-8,529	-16,456	-17,215
Depreciation, amortization and impairment losses	-1,242	-1,070	-2,255	-2,122
thereof depreciation / amortization due to purchase price allocation	-489	-314	-770	-638
Other operating expenses	-2,846	-3,185	-5,587	-5,875
Operating expenses	-22,096	-20,511	-41,753	-40,877
Profit / loss from operations (EBIT)	694	550	1,082	1,008
Interest income	0	0	21	0
Interest expense	-45	-40	-82	-78
Expenses from internal financing	729	0	422	0
Earnings before income taxes	1,378	510	1,443	930
Income taxes	-481	-171	-502	-299
Consolidated profit	897	339	941	630
Owners of the parent	899	329	968	623
Minority interests	-2	10	-27	7
Consolidated profit	897	339	941	630
Earnings per share (basic = diluted)	0.12	0.05	0.12	0.09
Average number of shares outstanding (basic)	9,105,381	7,563,608	8,432,453	7,143,997
Consolidated profit	897	339	941	630
Items that will be reclassified to consolidated total comprehensive income:				
Currency translation differences				
Changes in unrealized gains / losses	309	-691	0	-1,127
Tax effect	-86	248	0	325
Currency translation	223	-443	0	-802
Total comprehensive income for the period	1,120	454	941	-172
Total comprehensive income for the period attributable to:				
Owners of the parent	1,122	-114	968	-179
Minority interests	-2	10	-27	7
Total comprehensive income for the period	1,120	-104	941	-172
Earnings per share (basic = diluted)	0.13	0.01	0.11	-0.02
Average number of shares outstanding (basic)	9,105,381	7,563,608	8,432,453	7,143,997

Consolidated Segment Reporting

from January 1 to June 30, 2018

EUR thousand	04/01/ – 06/30/2018	04/01/ – 06/30/2017	01/01/ – 06/30/2018	01/01/ – 06/30/2017
Automotive				
Revenue	4,488	4,915	8,708	8,685
Segment result (EBITDA)	126	505	320	– 179
Depreciation / amortization	549	247	901	494
Segment result (EBIT)	– 424	258	– 581	– 673
Operating EBIT	– 602	– 416	– 1,445	– 1,777
Segment assets			35,618	19,365
Segment liabilities			5,810	5,445
Capital expenditure	506	853	17,362	1,678
Industrial				
Revenue	13,286	12,300	24,931	25,753
Segment result (EBITDA)	1,703	1,138	2,874	3,316
Depreciation / amortization	508	623	987	1,234
Segment result (EBIT)	1,194	514	1,888	2,083
Operating EBIT	1,430	598	2,165	2,358
Segment assets			44,033	41,738
Segment liabilities			9,903	7,844
Capital expenditure	290	522	716	937
IT Networks				
Revenue	3,644	2,353	6,293	4,934
Segment result (EBITDA)	28	– 112	– 17	– 175
Depreciation / amortization	105	115	207	228
Segment result (EBIT)	– 78	– 227	– 225	– 402
Operating EBIT	– 51	– 147	– 142	– 221
Segment assets			11,731	10,653
Segment liabilities			3,538	1,621
Capital expenditure	70	79	519	104
Not allocated				
Revenue	0	0	0	0
Segment result (EBITDA)	79	85	159	166
Depreciation / amortization	79	85	159	166
Segment result (EBIT)	0	0	0	0
Operating EBIT	0	0	0	0
Segment assets			6,407	9,889
Segment liabilities			12,420	14,175
Capital expenditure	34	43	109	73
Total				
Revenue	21,418	19,568	39,932	39,372
Segment result (EBITDA)	1,935	1,620	3,336	3,130
Depreciation / amortization	1,242	1,070	2,255	2,122
Segment result (EBIT)	693	550	1,082	1,008
Operating EBIT	777	35	579	362
Segment assets			97,788	81,643
Segment liabilities			31,670	29,086
Capital expenditure	900	1,497	18,707	2,792

Consolidated Segment Reporting – geographical

from January 1 to June 30, 2018

EUR thousand	04/01/ – 06/30/2018	04/01/ – 06/30/2017	01/01/ – 06/30/2018	01/01/ – 06/30/2017
Revenue				
Germany	6,936	6,737	13,150	12,774
USA	8,586	7,457	15,595	15,785
Rest of the world	5,896	5,375	11,187	10,814
Total	21,418	19,568	39,932	39,372
Fixed assets				
Germany	341	480	24,797	22,915
USA	897	–1,648	20,166	21,401
Rest of the world	–506	47	15,789	333
Total	732	–1,121	60,752	44,649
Additions to fixed assets				
Germany	1,149	1,381	2,899	2,597
USA	26	33	51	68
Rest of the world	–275	82	15,757	127
Total	900	1,497	18,707	2,792

Consolidated Statement of Cash Flows

from January 1 to June 30, 2018

EUR thousand	01/01/ – 06/30/2018	01/01/ – 06/30/2017
Cash flows from operating activities		
Profit (before tax)	1,443	930
Depreciation, amortization and impairment losses on fixed assets	2,255	2,122
Other non-cash transactions	-17	193
Cash flows for the period	3,681	3,245
Interest income	-21	0
Interest expense	82	78
Change in other and accrued liabilities	-19	-21
Change in inventories	-889	-470
Change in trade receivables	-1,238	1,378
Changes in financial receivables and other assets	243	-654
Change in trade payables	1,721	-214
Changes in financial and non-financial liabilities and other liabilities	-512	-1,043
Interest received	21	0
Income taxes received	758	0
Income taxes paid	-84	-1,427
Cash flows from operating activities	3,743	872
Investments in fixed assets	-978	-419
Cash paid for investments in internally generated intangible assets	-2,245	-2,220
Cash paid for the acquisition of subsidiaries / variable purchase prices	0	-4,209
Cash flows from investing activities	-3,223	-6,848
Dividend payment	-995	-1,392
Cash received from short-term bank line	0	1,000
Repayment of bank loans	-1,218	-620
Cash received from capital increase	0	7,864
Interest paid	-82	-78
Cash flows from financing activities	-2,295	6,774
Net change in funds	-1,776	801
Effects of exchange rate changes on cash and cash equivalents	90	-428
Cash and cash equivalents at the beginning of the period	10,276	10,869
Cash and cash equivalents at the end of the period	8,590	11,242

Consolidated Statement of Financial Position

as of June 30, 2018, December 31, 2017 and June 30, 2017

Assets			
EUR thousand	06/30/2018	12/31/2017	06/30/2017
Non-current assets			
Goodwill	18,415	14,540	14,893
Intangible assets	40,419	27,268	27,513
	58,834	41,808	42,406
Property, plant and equipment	1,918	2,022	2,243
Deferred tax assets	2,388	2,071	2,564
Non-current assets, total	63,140	45,901	47,213
Current assets			
Inventories	9,956	9,067	9,683
Trade receivables	12,584	12,067	10,019
Receivables from customer-specific construction contracts	1,481	760	1,193
	14,065	12,827	11,212
Other current assets	721	656	612
Current income tax assets	1,316	1,991	1,680
Cash and cash equivalents	8,590	10,276	11,243
Current assets, total	34,648	34,817	34,430
Total assets	97,788	80,718	81,643

Equity and liabilities

EUR thousand	06/30/2018	12/31/2017	06/30/2017
Equity			
Subscribed capital	9,105	7,655	7,655
Capital reserves	31,438	19,214	19,295
Retained earnings	25,567	25,436	25,631
Equity (Group share)	66,110	52,305	52,581
Minority interest	8	- 33	- 25
Equity, total	66,118	52,272	52,556
Non-current liabilities			
Pensions and similar obligations	2,081	2,181	2,137
Long-term borrowings	3,097	4,153	5,374
Other non-current liabilities	50	57	50
Deferred taxes	6,672	4,748	4,850
Non-current liabilities, total	11,900	11,139	12,411
Current liabilities			
Trade payables	6,295	4,574	4,642
Payables from customer-specific construction contracts	684	952	544
Provisions and accrued liabilities	144	163	266
Income tax liabilities	952	598	832
Short-term borrowings	4,788	4,788	4,224
Current non-financial liabilities	2,836	2,663	2,529
Current financial liabilities	4,071	3,569	3,639
Current liabilities, total	19,770	17,307	16,676
Total equity and liabilities	97,788	80,718	81,643

Consolidated Statement of Changes in Equity

from January 1 to June 30, 2018

EUR thousand	Subscribed capital	Capital reserves	Retained earnings			Attributable to shareholders of Softing AG	Non-controlling interests	Total equity	
			Net retained profits and other	Remeasurements	Currency translation				
	Capital					Total	Shares	Shares	
As of January 1, 2018	7.655	19.214	24.728	- 1.321	2.028	25.436	52.305	- 33	52.272
Dividend distribution			- 995			- 995	- 995		- 995
Capital increase, net	1.450	12.224				0	13.674		13.674
Deconsolidation effect						0	0	68	68
Tax effect						118	118		118
Currency translation						41	41		41
Net profit for 2018			967			967	967	- 27	940
As of June 30, 2018	9.105	31.438	24.700	- 1.321	2.187	25.567	66.110	8	66.118

EUR thousand	Subscribed capital	Capital reserves	Retained earnings			Attributable to shareholders of Softing AG	Non-controlling interests	Total equity	
			Net retained profits and other	Remeasurements	Currency translation				
	Capital					Total	Shares	Shares	
As of January 1, 2017	6,959	12,270	25,342	- 1,358	4,370	28,354	47,583	- 17	47,566
Dividend distribution			- 1,392			- 1,392	- 1,392		- 1,392
Capital increase, net	696		7,027			7,027	7,723		7,723
Tax effect						357	357		357
Currency translation						- 2,328	- 2,328		- 2,328
Net profit for 2017			638			638	638	- 8	630
As of June 30, 2017	7,655	12,270	31,615	- 1,358	2,399	32,656	52,581	- 25	52,556

Directors' Holdings

Boards	Number of shares		Number of options	
	06/30/2018	12/31/2017	06/30/2018	12/31/2017
Supervisory Board				
Dr. Horst Schiessl (chairman), attorney at law, Munich	–	–	–	–
Dr. Klaus Fuchs (member), graduate computer scientist / graduate engineer, Helfant	278,820	278,820	–	–
Andreas Kratzer (member), certified public accountant, Zurich, Switzerland	10,155	10,155	–	–
Executive Board				
Dr.-Ing. Dr. rer. oec. Wolfgang Trier, Munich	112,716	112,716	–	–
Ernst Homolka, Munich	1,800	1,800	–	–

Softing AG

Richard-Reitzner-Allee 6
85540 Haar/Germany

Phone +49 89 4 56 56-0

Fax +49 89 4 56 56-399

investorrelations@softing.com

www.softing.com