

Half-Year Interim Report 2019

A ruggedized handheld device, likely a PDA or industrial smartphone, is shown. The screen displays a menu with icons for 'Dateien', 'Werkzeuge', and 'Vorgaben'. The text 'NetXpert XG' is visible on the screen. The device has a blue and black color scheme and a protective case.

reporting

optimize!
softing

Consolidated Key Figures

		Q2 2019	Q2 2018	Half-yearly report 2019	Half-yearly report 2018
Incoming orders	(EUR million)	24.7	23.3	51.1	44.4
Orders on hand	(EUR million)			24.7	15.6
Revenue	(EUR million)	22.2	21.4	41.8	39.9
EBITDA (IFRS)	(EUR million)	4.3	1.9	5.7	3.3
EBIT (IFRS)	(EUR million)	2.3	0.7	1.8	1.1
EBIT (operating)	(EUR million)	1.5	0.8	1.2	0.6
Consolidated profit (IFRS)	(EUR million)	1.4	0.9	1.2	0.9
Earnings per share (IFRS)	(EUR)	0.16	0.12	0.13	0.12
Non-current assets	(EUR million)			69.0	63.1
Current assets	(EUR million)			40.8	34.7
Equity	(EUR million)			68.3	66.1
Equity ratio				62%	68%
Cash and cash equivalents	(EUR million)			12.2	8.6
Number of employees (as of June 30)				407	405

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Letter from the CEO

DEAR SHAREHOLDERS, EMPLOYEES, PARTNERS AND FRIENDS OF SOFTING,

The positive trend of the first quarter intensified in the second quarter, enabling us to considerably outperform the comparable prior-year quarter in almost every key performance indicator. The same is true of the cumulative half-year results. In the first six months of 2019, revenue rose by around 5% to EUR 41.8 million compared with EUR 39.9 million in the first half of the previous year. This growth potential was even more apparent when looking at incoming orders and orders on hand. Incoming orders increased by 15% to EUR 51.1 million after EUR 44.4 million in the prior-year period. Orders on hand grew by almost 60% to an impressive EUR 24.7 million, up from EUR 15.6 million a year earlier. This means that for the first half of 2019, we are recording more orders than ever before in our company's history.

As has already been announced, our results benefited from the improved product mix in the second quarter in particular, causing EBITDA and EBIT to double and triple respectively compared to the prior-year quarter. As a result, the EBITDA margin rose sharply from 8% to its current level of around 13%. Although this is still a long way from our targets, the trend is evident. The high volume of orders on hand means we can expect this emerging trend to continue over the next few quarters.

The Industrial segment made the biggest contribution to revenue and earnings growth in the first half of the year. Softing already benefited from a considerable rise in demand for process and factory automation in this area in 2018. For the current year, we have already received orders in the seven-digit range, which will not be delivered until the second half of 2019 for production-related reasons. The factory automation business, which includes the Internet of Things (IoT), gateways, OPC servers and middleware, was similarly successful, while the US business also made another major contribution to the results.

The Automotive segment achieved its turnaround to report revenue growth of 4% in the first half of 2019. At the start of June, Softing Automotive Electronics acquired its first major customer for the newly developed generation of the DTS software range. This agreement with a German automaker will generate annual software licensing revenue well into the seven-digit range. We are expecting the customer to use the software for more than five years. We appreciate this vote of confidence from our key German customer, as it will serve as a helpful reference for our discussion with Asian customers. Our Automotive team's success will continue to support the Company's already encouraging second-quarter revenue performance over the next few quarters.

After extensive testing, GlobalmatIX AG entered into an agreement with a major customer in May to provide hardware and services for managing mixed-model commercial vehicle fleets. This agreement has an initial term of five years and represents the first breakthrough for GlobalmatIX AG, which we acquired in 2018. The customer's main reasons for signing this agreement with GlobalmatIX were the comprehensive capabilities, high level of security against external manipulation and the fact that GlobalmatIX is capable of covering all aspects required to provide data within a secure cloud environment. This major customer plans to begin marketing its service products from around mid-2019 onwards. GlobalmatIX expects to con-

nect more than 200,000 vehicles during the contract period. This has already sent a strong signal to the market, leading to further discussions with similarly sized major customers. The high scalability of these services brings us significantly closer to our medium-term target of a double-digit EBIT margin.

In the IT Networks segment, the switch away from lower-margin third-party products initially caused revenue to fall. However, EBIT remained virtually unchanged due to revenue growth in our high-margin in-house products. Based on our new NetXpert product platform, we will be able to unlock at least two new areas of application for the fourth quarter, which is the strongest quarter in terms of revenue for Softing. For the rest of the year, we expect the gross profit margin to improve further amid rising revenues.

With the developments and events outlined above, we have created the conditions to continue our growth in all three segments. Based on the production deadlines currently set and the major orders that have already been confirmed but cannot yet be delivered, annual revenue and EBIT will once again record their strongest growth in the second half of the year in 2019. We will provide further guidance on our targets as the year goes on.

Our optimism about the aforementioned points is still tempered by significant economic uncertainty. The markets are extremely volatile for reasons that are already well known. European governments and the IMF both continued to revise their growth expectations downwards during the first half of the year. So far, our strong diversification in the three largest economic areas – Europe, North America and Asia – means we have been able to largely offset regional fluctuations. Due to the high visibility we have with regard to incoming orders and orders on hand from major customers, we are even protected from short-term fluctuations in a weak economy. What's more, it is not a contradiction in terms that our Automotive segment is growing with just a small share of around EUR 20 million in a slightly shrinking market worth billions of euros. Nevertheless, Softing will not be able to entirely uncouple itself from the economy in its core markets in the long term.

With a healthy amount of caution, we continue to anticipate incoming orders and annual revenue of more than EUR 88 million and earnings (EBIT) of around EUR 4 million for 2019. However, this is based on the assumption that there will be no dramatic economic turbulence on a global scale. At the same time, we could also exceed our revenue and earnings forecasts if economic developments are unexpectedly positive and incoming orders remain buoyant.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'J.W. Trier', written in a cursive style.

Dr. Wolfgang Trier
(Chief Executive Officer)

Softing Shares

EQUITY MARKET MAKES SIGNIFICANT GAINS SINCE START OF 2019 AFTER RECORDING SIMILARLY SHARP PRICE DROPS IN THE SECOND HALF OF 2018 UNTIL THE END OF THAT YEAR

Germany's leading index, the DAX, began 2019 at 10,478 points after suffering considerable losses until the end of 2018, falling from the 12,500-point mark reached at the start of July 2018. The DAX's performance inverted almost exactly in the first half of 2019 as the leading index recovered to reach the 12,500-point mark in early July of this year, only to lose almost 1,000 points within the space of a month by the start of August. The DAX is currently at 11,845 points (as of August 8, 2019).

This year's price rise was due to better than expected results from German companies. Increasing political and economic uncertainty, headed by escalating trade conflicts between the USA and China and most recently with Europe as well, in addition to slightly reduced growth rates for German manufacturers and the continuing lack of clarity over Brexit, is currently having a negative impact on stock markets.

Softing shares began the year at a price of EUR 6.62 and reached their annual high to date of EUR 8.82 on February 11 before dropping to EUR 6.32 in early/mid April. The stock then recovered to a further interim high of EUR 8.50 in the space of just a few days by mid/late April and EUR 8.30 at the start of June before falling to EUR 7.24 by the balance sheet date on June 28.

During the reporting period, the average daily trading volume of Softing shares was 8,851 (Xetra and floor trading), once again well below the similarly reduced previous year's figure of 10,316 shares.

GENERAL SHAREHOLDERS' MEETING AGAIN RESOLVED DIVIDEND OF EUR 0.13 PER SHARE

On May 8, 2019, the General Shareholders' Meeting of Softing AG adopted a resolution to distribute a stable dividend of EUR 0.13 per no-par share.

SHAREHOLDER STRUCTURE

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

ANALYST RECOMMENDATIONS

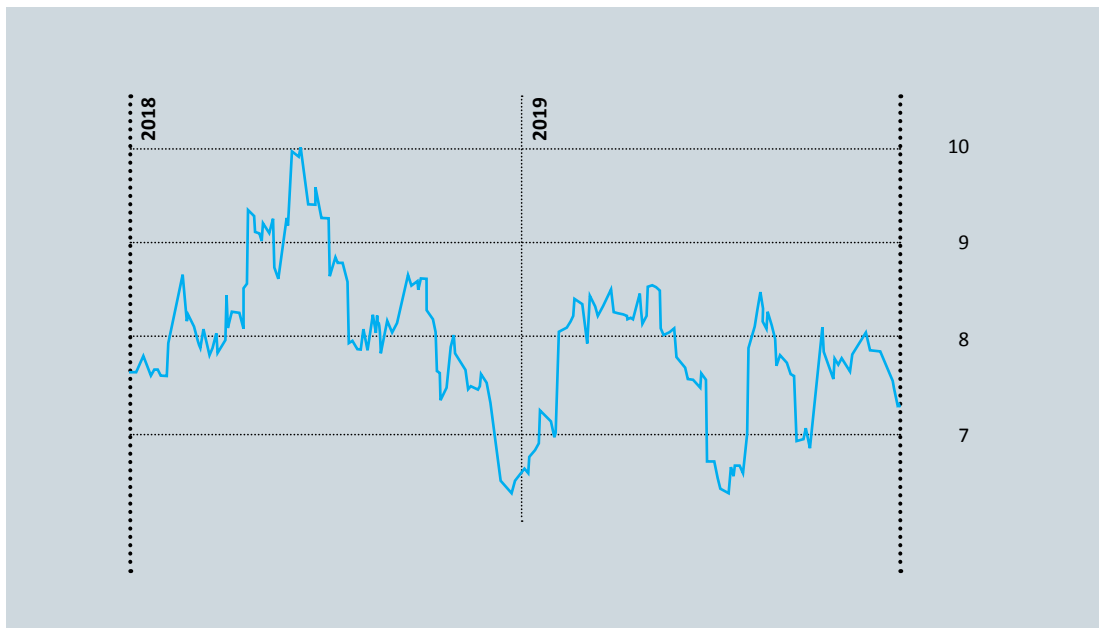
Warburg Research has analyzed the Softing share regularly for years in research reports and has published three updates on the share by the date of publication in 2019. The research firm issued a buy recommendation in its latest update on July 22, raising its previous target price of EUR 8.00 (hold recommendation) to EUR 9.50 (see May 8, 2019 update).

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, Capital Depesche and others.

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 07/02/2018 TO 06/29/2019 (XETRA)



FINANCIAL CALENDAR

08/14/2019	Half-Year Interim Report 2019
11/15/2019	Interim Statement Q3/2019
11/25 – 27/2019	German Equity Forum in Frankfurt/Main
12/10 – 11/2019	Münchener Kapitalmarkt Konferenz

Interim Group Management Report for the 2019 Half-Year Financial Report

REPORT ON NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

The economic environment in Softing's most important markets worldwide is clouding over due to a turbulent trade policy environment – something which Softing was unable to completely escape in the first half of 2019.

Despite these negative signals from various markets, Softing succeeded in significantly increasing incoming orders (+15%) and revenue (+5%) in the first half of 2019 and therefore has a positive outlook on 2019.

The Industrial segment increased revenue by a very healthy 12% in the first six months, with operating EBIT coming in at a good level as well.

The Automotive segment lifted revenue by 4% in the first half of the year with a greatly improved operating EBIT. Business development with products of the acquired Globalmatix AG is proceeding according to plan.

In the first six months, the IT Networks segment focused on the transition from low-margin distribution products to the new, high-margin in-house products, resulting in a decline in revenue of EUR 1.4 million. A first new product was released for marketing at the end of the fourth quarter of 2018 and more products to follow will significantly improve the gross profit margin in 2019.

Overall, the Softing Group grew its revenue to EUR 41.8 million in the first six months of 2019 (previous year: EUR 39.9 million). Revenue in the Industrial segment rose from EUR 24.9 million to a strong EUR 27.9 million. In the Automotive segment,

revenue increased slightly from EUR 8.7 million to EUR 9.0 million. IT Networks generated revenue of EUR 4.9 million, compared with EUR 6.3 million in the previous year.

The Group's EBITDA rose from EUR 3.3 million to EUR 5.7 million in the first half of the year, resulting in a significantly improved EBITDA margin of around 13% (previous year: 8%).

The Industrial segment's EBIT rose considerably from EUR 1.9 million to EUR 2.6 million, with operating EBIT remaining stable at EUR 2.2 million. EBIT in the Automotive segment increased slightly year-on-year, from EUR –0.6 million to EUR –0.5 million, while operating EBIT rose from EUR –1.4 million to EUR –0.9 million. Forward-looking investments made by the acquired company Globalmatix AG, which is in the process of being expanded, depressed earnings in this segment by EUR 0.6 million. As in the previous year, the IT Networks segment posted a slightly negative EBIT of EUR 0.2 million. Operating EBIT was EUR -0.0 million, slightly above the prior-year figure of EUR -0.1 million.

The Group's operating EBIT (EBIT adjusted for capitalized development services and amortization on these as well as effects from purchase price allocation) doubled in the reporting period, reaching EUR 1.3 million (previous year: EUR 0.6 million). The Group's EBIT rose significantly to EUR 1.8 million after EUR 1.1 million in the previous year.

As expected, the resulting consolidated net profit for the period moved into clearly positive territory in the second quarter of 2019 and amounted to EUR 1.2 million after the first six months of 2019 (previous year: EUR 0.9 million). Earnings per share were EUR 0.13 in the first half of 2019, compared with EUR 0.12 in the previous year.

The Group had cash of EUR 12.2 million as of June 30, 2019, compared with EUR 9.7 million as of December 31, 2018. Cash flow for the period was EUR 5.6 million after EUR 3.7 million in the previous year. Capital expenditure on property, plant, and equipment was insignificant and comprised replacements. Please refer to the Research and Development section for information on investments in products. Cash flow from financing activities was dominated by a net borrowing of EUR 4.1 million and the payment of the dividend of EUR 1.2 million in 2019.

The first-time application of IFRS 16 resulted in an increase in total assets/total equity and liabilities of around EUR 5.0 million – due to the first-time recognition of intangible assets on the assets side and other non-current liabilities of around EUR 3.6 million and other current financial liabilities of a good EUR 1.4 million on the liabilities side. Overall, this translates into a slightly lower equity ratio of 62% as of June 30, 2019, after 69% at year-end 2018.

RESEARCH AND PRODUCT DEVELOPMENT

In the first six months of 2019, Softing capitalized a total of EUR 4.1 million after EUR 2.2 million in the previous year for the development of new products and the enhancement of existing ones, both internally and externally. Work here focused on completing a new generation of the development platform (DTS 9) and the related software components in the Automotive segment and the latest generation of communication interfaces (VCI). GlobalmatIX has invested heavily in its future mobile infrastructure. New and improved products in the Industrial and Data Networks segments will be launched in 2019. Other significant amounts were expensed.

EMPLOYEES

As of June 30, 2019, the Group had 407 employees (previous year: 405). No stock options were issued to employees in the reporting period.

OPPORTUNITIES AND RISKS FOR THE COMPANY'S FUTURE DEVELOPMENT

As of the reporting date of June 30, 2019, the Company's risk structure had not deviated significantly from the description in the consolidated financial statements for the year ended December 31, 2018. Material changes are also not expected for the remaining six months of 2019. For more detailed information, we refer to the Group Management Report in the 2018 Annual Report, page 8 et seq.

OUTLOOK

We confirm the Group's guidance for 2019 published in the management report of the 2018 Annual Report (p. 27). Overall, we continue to expect both revenue and incoming orders to grow to EUR 88.0 million in financial year 2019.

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. If performance is positive, EBIT in particular has upside potential.

At segment level, a moderate increase in revenue as well as stable EBIT and operating EBIT are projected in all segments. Due to the fact that a number of major contracts have already been acquired but cannot be delivered until the second half of the year, we expect the strongest growth, especially for EBIT, to be seen in the second half of the year, as was the case in the previous year. We will provide quarterly reports with more details on these figures.

The condensed interim consolidated financial statements for the first half of 2019 were released for publication on August 14, 2019 by resolution of the Executive Board.

EVENTS AFTER THE REPORTING PERIOD

There were no events of special importance after the reporting date of June 30, 2019.

GENERAL ACCOUNTING POLICIES

Due to the first-time application of IFRS 16, the Group recorded transition effects in the areas described below from January 1, 2019, which led to a change in accounting policy. In connection with the first-time application of IFRS 16, Softing uses the modified, retrospective approach for transitioning its accounting for leases to IFRS 16.

The following table shows the changes in the statement of financial position from December 31, 2018 to January 1, 2019 due to the first-time application of IFRS 16.

	01/01/2019	IFRS 16 effects	12/31/2018
	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)
Assets			
Intangible assets	46,924	5,042	41,882
Non-current assets	68,022	5,042	62,980
Current assets	36,844		36,844
Total assets	104,866	5,042	99,824
Equity and liabilities			
Equity	68,400		68,400
Other non-current liabilities	3,653	3,596	57
Non-current liabilities	12,997	3,596	9,401
Current financial liabilities	5,968	1,446	4,522
Current liabilities	23,469	1,446	22,023
Total equity and liabilities	104,866	5,042	99,824

The following effects on the consolidated income statement and cash flow statement arose in the

first half of 2019 as a result of accounting for leases in accordance with IFRS 16.

	01/01/2019 – 06/30/2019
	EUR (in thsds.)
Depreciation, lease accounting	-779
Period expense for short-term leases	-38
Period expense for low-value leases (<5,000 EUR)	-1
Variable lease expense	0
Variable lease expense for subleases	0
Interest expense for lease accounting (incremental borrowing rate of interest: 3.78%)	-86
Payments from lease accounting	-847

The other amended standards had no effect on reporting. The consolidated financial statements of Softing AG as of December 31, 2018 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, 2019, 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, 2018. With the exception of IFRS 16 as described above, the same accounting policies were applied in the interim financial statements as of June 30, 2019 as in the consolidated financial statements for the 2018 financial year. This 2019 half-yearly report was prepared without an auditor’s review.

CHANGES IN THE BASIS OF CONSOLIDATION

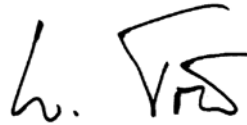
There were no changes in the basis of consolidation in the first half of 2019. For information on significant events during the interim reporting period, please see the Ad hoc release dated May 20, 2019, „Globalmatix Signs Contract with Key Account.“

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 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, 2019

Softing AG



Dr. Wolfgang Trier
Chief Executive Officer



Ernst Homolka
Executive Board member

Consolidated Income Statement

from January 1 to June 30, 2019

EUR thousand	04/01/ – 06/30/2019	04/01/ – 06/30/2018	01/01/ – 06/30/2019	01/01/ – 06/30/2018
Revenue	22,230	21,418	41,839	39,932
Other own work capitalized	2,140	902	3,035	2,245
Other operating income	190	470	413	658
Operating income	24,560	22,790	45,287	42,835
Cost of materials / cost of purchased services	-9,410	-9,451	-18,093	-17,455
Staff costs	-8,523	-8,557	-16,795	-16,456
Depreciation, amortization and impairment losses	-1,952	-1,242	-3,811	-2,255
thereof depreciation / amortization due to purchase price allocation	-507	-489	-1,011	-770
thereof depreciation/amortization due to lease accounting	-400	-0	-779	0
Other operating expenses	-2,356	-2,846	-4,748	-5,587
Operating expenses	-22,241	-22,096	-43,446	-41,753
Profit / loss from operations (EBIT)	2,318	694	1,840	1,082
Interest income	0	0	0	21
Interest expense	-24	-45	-60	-82
Interest expense from lease accounting	-41	0	-86	0
Expenses from internal financing	-179	729	140	422
Earnings before income taxes	2,074	1,378	1,834	1,443
Income taxes	-629	-481	-674	-502
Consolidated profit	1,443	897	1,159	941
Owners of the parent	1,381	899	1,098	968
Minority interests	62	-2	61	-27
Consolidated profit	1,443	897	1,159	941
Earnings per share (basic = diluted)	0.16	0.10	0.13	0.12
Average number of shares outstanding (basic)	9,105,381	9,105,381	9,105,381	8,432,453

Consolidated Statement of Comprehensive Income

from January 1 to June 30, 2019

EUR thousand	04/01/ – 06/30/2019	04/01/ – 06/30/2018	01/01/ – 06/30/2019	01/01/ – 06/30/2018
Consolidated profit	1,433	897	1,159	941
Items that will be reclassified to consolidated total comprehensive income:				
Currency translation differences				
Changes in unrealized gains / losses	-154	309	75	0
Tax effect	43	-86	-21	0
Total currency translation differences	-111	223	54	0
Consolidated total comprehensive income	-111	223	54	0
Total comprehensive income for the period	1,333	1,120	1,214	941
Total comprehensive income for the period attributable to:				
Owners of the parent	1,271	1,122	1,153	968
Minority interests	62	-2	61	-27
Total comprehensive income for the period	1,333	1,453	1,214	941
Earnings per share (basic = diluted)	0.14	0.14	0.13	0.12
Average number of shares outstanding (basic)	9,105,381	9,105,381	9,105,381	8,432,453

Consolidated Statement of Financial Position

as of June 30, 2019, December 31, 2018 and June 30, 2018

Assets			
EUR thousand	06/30/2019	12/31/2018	06/30/2018
Non-current assets			
Goodwill	18,030	17,985	18,415
Intangible assets	47,797	41,882	40,419
	65,827	59,867	58,834
Property, plant and equipment	2,438	2,348	1,918
	68,265	62,215	60,752
Deferred tax assets	702	765	2,388
Non-current assets, total	68,968	62,980	63,140
Current assets			
Inventories	12,052	10,557	9,956
Trade receivables	13,129	13,682	12,584
Contract assets	741	568	1,481
	13,870	14,250	14,065
Other current assets	955	703	721
Current income tax assets	1,694	1,652	1,316
Cash and cash equivalents	12,217	9,682	8,590
Current assets, total	40,788	36,844	34,648
Total assets	109,755	99,824	97,788

Equity and liabilities

EUR thousand	06/30/2019	12/31/2018	06/30/2018
Equity			
Subscribed capital	9,105	9,105	9,105
Capital reserves	31,111	31,111	31,438
Retained earnings	27,920	28,039	25,567
Equity (Group share)	68,137	68,255	66,110
Minority interest	206	145	8
Equity, total	68,343	68,400	66,118
Non-current liabilities			
Pensions and similar obligations	2,033	2,141	2,081
Long-term borrowings	7,705	1,976	3,097
Other non-current liabilities	3,152	57	50
Deferred taxes	5,645	5,227	6,672
Non-current liabilities, total	18,535	9,401	11,900
Current liabilities			
Trade payables	5,703	6,086	6,295
Contract liabilities	717	2,069	684
Provisions and accrued liabilities	136	175	144
Income tax liabilities	1,426	1,407	952
Short-term borrowings	4,544	6,215	4,788
Current non-financial liabilities	4,452	1,549	2,836
Current financial liabilities	5,900	4,522	4,071
Current liabilities, total	22,878	22,023	19,770
Total equity and liabilities	109,755	99,824	97,788

Consolidated Statement of Changes in Equity

from January 1 to June 30, 2019

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				Total
As of January 1, 2019	9,105	31,111	27,054	-1,298	2,282	28,039	68,255	145	68,400
Dividend distribution			-1,184			-1,184	-1,184		-1,184
Tax effect					23	23	23		23
Currency translation					-55	-55	-55		-55
Net profit for 2019			1,098			1,098	1,098	61	1,159
As of June 30, 2019	9,105	31,111	26,969	-1,298	2,249	27,921	68,137	206	68,343

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				Total
As of January 1, 2017	7,655	19,214	24,728	-1,321	2,028	25,436	52,305	-33	52,272
Change in accounting policies			-26			-26	-26		-26
As of January 1, 2018	7,655	19,214	24,702	-1,321	2,028	25,410	52,729	-33	52,246
Dividend distribution			-995			-995	-995		-995
Capital increase	1,450	12,224				0	13,674		13,674
Deconsolidation effect						0	0	68	68
Tax effect					118	118	118		118
Currency translation					41	41	41		41
Net profit for 2018			967			967	967	-27	940
As of June 30, 2018	9,105	31,438	24,674	-1,321	2,187	25,541	66,534	8	66,091

Consolidated Statement of Cash Flows

from January 1 to June 30, 2019

EUR thousand	01/01/ – 06/30/2019	01/01/ – 06/30/2018
Cash flows from operating activities		
Profit (before tax)	1,834	1,443
Depreciation, amortization and impairment losses on fixed assets	3,811	2,255
Other non-cash changes	-48	-17
Cash flows for the period	5,597	3,681
Interest income	0	-21
Interest expense	146	82
Change in other and accrued liabilities	-39	-19
Change in inventories	-1,495	-889
Change in trade receivables	380	-1,238
Changes in financial receivables and other assets	-231	243
Change in trade payables	-383	1,721
Changes in financial and non-financial liabilities and other liabilities	6,556	-512
Payments for right-of-use assets	-847	0
Interest received	0	21
Income taxes received	0	758
Income taxes paid	-127	-84
Cash flows from operating activities	9,557	3,743
Investments in fixed assets	-453	-978
Cash paid for investments in internally generated intangible assets	-4,137	-2,245
Changes in Right of Use assets (first use IFRS 16)	-5,271	0
Cash flows from investing activities	-9,861	-3,223
Dividend payment	-1,184	-995
New long-term borrowings	7,000	0
Repayment of bank loans	-2,845	-1,218
Interest on right-of-use assets	-86	0
Interest paid	-60	-82
Cash flows from financing activities	2,825	-2,295
Net change in funds	2,521	-1,776
Effects of exchange rate changes on cash and cash equivalents	15	90
Cash and cash equivalents at the beginning of the period	9,682	10,276
Cash and cash equivalents at the end of the period	12,218	8,590

Consolidated Segment Reporting

from January 1 to June 30, 2019

EUR thousand	04/01/ – 06/30/2018	04/01/ – 06/30/2017	01/01/ – 06/30/2018	01/01/ – 06/30/2017
Automotive				
Revenue	5,008	4,488	9,022	8,708
Segment result (EBITDA)	1,105	126	944	320
Depreciation / amortization	776	549	1,479	901
Segment result (EBIT)	329	–424	–535	–581
Operating EBIT	116	–602	–906	–1,445
Segment assets			38,676	35,618
Segment liabilities			10,769	5,810
Capital expenditure	1,114	506	2,116	17,362
Industrial				
Revenue	14,518	13,286	27,888	24,931
Segment result (EBITDA)	2,718	1,701	4,046	2,873
Depreciation / amortization	722	508	1,417	986
Segment result (EBIT)	1,996	1,192	2,629	1,888
Operating EBIT	1,225	1,430	2,184	2,164
Segment assets			48,635	44,034
Segment liabilities			13,051	9,902
Capital expenditure	1,620	290	1,887	716
IT Networks				
Revenue	2,704	3,644	4,930	6,293
Segment result (EBITDA)	224	26	209	–18
Depreciation / amortization	231	105	463	206
Segment result (EBIT)	–7	–80	–254	–225
Operating EBIT	105	–51	–30	–143
Segment assets			12,333	11,732
Segment liabilities			1,684	3,537
Capital expenditure	395	70	600	519
Not allocated				
Revenue	0	0	0	0
Segment result (EBITDA)	224	79	453	160
Depreciation / amortization	224	79	453	160
Segment result (EBIT)	0	0	0	0
Operating EBIT	0	0	0	0
Segment assets			10,111	6,407
Segment liabilities			15,908	12,420
Capital expenditure	43	34	93	109
Total				
Revenue	22,230	21,418	41,839	39,932
Segment result (EBITDA)	4,271	1,935	5,652	3,336
Depreciation / amortization	1,953	1,242	3,811	2,255
Segment result (EBIT)	2,318	693	1,840	1,082
Operating EBIT	1,447	777	1,249	579
Segment assets			109,755	97,788
Segment liabilities			41,413	31,670
Capital expenditure	3,172	900	4,697	18,707

Consolidated Segment Reporting – geographical

from January 1 to June 30, 2019

EUR thousand	04/01/ – 06/30/2018	04/01/ – 06/30/2017	01/01/ – 06/30/2018	01/01/ – 06/30/2017
Revenue				
Germany	7,654	6,936	13,330	13,150
USA	8,438	8,586	16,637	15,595
Rest of the world	6,139	5,896	11,873	11,187
Total	22,230	21,418	41,839	39,932
Fixed assets				
Germany	1,276	341	29,758	24,797
USA	–474	897	20,990	20,166
Rest of the world	123	–506	17,517	15,789
Total	925	732	68,265	60,752
Additions to fixed assets				
Germany	2,588	1,149	3,882	2,899
USA	105	26	161	51
Rest of the world	479	–275	654	15,757
Total	3,172	900	4,697	18,707

Directors' Holdings

Boards	Number of shares		Number of options	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
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	151,826	112,716	–	–
Ernst Homolka, Munich	1,800	1,800	–	–

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