

CENIT GROUP – AT A GLANCE
1 JANUARY TO 30 JUNE 2023 (UNAUDITED)

in EUR k	Q2 2023	Q2 2022	Change in %	H1 2023	H1 2022	Change in %
Key data						
Revenue	44,054	38,514	14.4	87,470	73,912	18.3
Third-party software	22,475	22,181	1.3	44,754	43,654	2.5
from licences	1,293	1,959	-34.0	2,471	3,207	-22.9
from recurring sales*	21,182	20,221	4.8	42,284	40,447	4.5
Proprietary software	4,287	4,358	-1.6	7,637	7,985	-4.4
from licences	1,208	1,528	-20.9	1,570	2,320	-32.3
from recurring sales*	3,079	2,829	8.9	6,067	5,665	7.1
Consulting and services	17,262	11,959	44.3	35,008	22,231	57.5
Merchandise	30	16	80.4	71	42	67.5
EBITDA	4,173	2,654	57.3	5,746	3,378	70.1
EBIT	2,614	1,507	73.5	2,620	1,119	134.1
<i>as % of sales</i>	<i>5.93</i>	<i>3.91</i>	<i>51.6</i>	<i>3.00</i>	<i>1.51</i>	<i>97.9</i>
Net income	1,864	1,065	75.0	1,791	552	224.5
<i>per share in Cents (basic / undiluted after minority interests)</i>	<i>21.1</i>	<i>11.8</i>	<i>78.6</i>	<i>18.5</i>	<i>4.6</i>	<i>302.2</i>
Cash flow data						
Cash flow from current business activities	1,610	-1,916	>100.0	10,304	9,280	11.0
Cash flow from investment activity	-675	-28,076	97.6	-2,864	-28,234	89.9
Cash flow from financing activity	-5,966	15,940	>-100.0	-7,747	15,191	>-100.0
Balance sheet ratios				30/06/ 2023	31/12/ 2022	Change in %
Liquid assets				19,600	19,914	-1.6
Net liquidity				-10,799	-13,775	21.6
Total assets				129,350	127,037	1.8
Equity ratio in %				32.8	35.3	-7.0
Employees on reporting date				862	861	0.0
Key share ratios						
Closing share price (Xetra) in EUR				12.90	12.20	5.7
Market capitalization				107,944	102,086	5.7

*Subscription and software maintenance contracts

Interim Management Report

Report on assets and financial and earnings situation

Continued strong consulting and service business (vs. previous year: +57.5%) and increased license sales define sales growth (vs previous year: +EUR 13,558 k, +18.3%) in the first half of 2023

The consulting and service business (vs. previous year: +72.8%), which was already growing strongly in the first quarter, continued to do so extremely in the second quarter (vs. previous year: +44.3%) and was also boosted by a significant increase in the sale of recurring software licenses (vs previous year: +4.8%).

Against the mentioned background and taking into account increased other operating income (vs. previous year: EUR +710 k), a lower cost of materials ratio due to the product mix (vs. previous year: -5.39 percentage points), however higher operating expenses as a whole (vs. previous year: EUR +12,585 k), consolidated EBIT improved by 134.1% to EUR 2,620 k. The order backlog increased by 18.4% to 59,260 TEUR (previous year 50,050 TEUR).

Acquisition of MIP Management Informations Partner Gesellschaft für EDV - Beratung und Management-Training mbh (MIP) to enhance expertise in the areas of data management and analysis.

As of January 31, 2023, CENIT AG acquired 100% in MIP. With sales of EUR 1,361 k and an EBIT of EUR 181 k, as of June 30, 2023, MIP contributes to the success of CENIT Group.

Sale of 100% of shares in CENIT Japan K.K. and a simultaneous expansion of distribution in the Japanese robotics market

With effect from June 01, 2023, CENIT AG has sold 100% of the shares in CENIT Japan K.K. Since then, the Japanese subsidiary has been part of Argo Graphics Inc. (Tokyo) and now acts as a master reseller for CENIT's FASTSUITE E2 software, thus strengthening CENIT's presence in the Japanese robotics market. In addition, the deconsolidation effect of EUR 871 k had a positive impact on EBIT.

Segments at a glance

The performance of the two segments PLM and EIM for the first half of 2023 was as follows: EIM was able to significantly increase external sales by +108.5% compared to the same period of the previous year - in particular due to inorganic factors - and generate a segment EBIT of EUR 656 k. The PLM area was also able to increase its segment sales by +6.1%, and did improve the segment EBIT disproportionately by EUR 1,474 k to EUR 1,964 k.

In addition to the earning power, the continued positive operating cash flow contributes to the strength of the CENIT Group.

The continued positive cash flow from operating activities (EUR 10,304 k; previous year: EUR 9,280 k) mainly results from a positive change in working capital (EUR 5,940 k) and the decrease in other non-current assets (EUR 1,147 k). The repayment of the acquisition loan of EUR -1,650 k, the dividend paid of EUR -4,184 k and payments for lease liabilities of EUR -1,913 k resulted in a cash flow from financing activities of EUR -7.747 k. The cash flow from investing activities (EUR -2.864 k) is mainly due to the acquisition of shares in fully consolidated companies in the amount of EUR -1,735 k and investments in tangible and intangible assets (EUR -1,053 k). As a result, cash and cash equivalents as of June 30, 2023 decreased by EUR 314 k to EUR 19,600 k compared to December 31, 2022.

Due to the dividend-related decrease in equity and the increase in contractual liabilities, the equity ratio decreased to 32.8%. Net liquidity improved to EUR -10,799 k, mainly due to the decrease in lease liabilities (EUR -1,608 k) and the repayment of the acquisition loan (EUR -1,650 k).

The balance sheet total increased by EUR 2,313 k compared to December 31, 2022. On the assets side, this results mainly from the increase in intangible assets due to the capitalisation of the provisionally determined goodwill (EUR 2,789 k) from the acquisition of MIP on January 31, 2023. On the liabilities side, the increase in the balance sheet total is mainly due to the higher short-term contract liabilities from software maintenance contracts during the year (EUR +11,510 k), which is partially offset by the decrease in trade payables (EUR -4,841 k) and the long-term lease liability (EUR -1,199 k).

Events after the end of the interim reporting period

Effective July 6, 2023, the Berlin-based PI Informatik GmbH became a new member of the CENIT Group. PI Informatik is established among customers from industry, logistics and the public sector as a specialist for complex software developments, SAP consulting services and as a long-standing partner for managed services and IT infrastructure solutions. With PI Informatik's expertise, CENIT is able to complement the CENIT Group's product and solution portfolio at key points. The operational cooperation in projects strengthens the ability to deliver and the innovative power in the field of process digitalization. In addition, the merger opens up access to new customer, industry and partner segments. PI Informatik employs around 30 people and generates annual sales of approximately EUR 3.5 million.

With effect from July 31, 2023, CENIT has acquired 60% of the shares in an SAP consulting company in the D-A-CH region. The comprehensive SAP expertise and the focus on the energy supply, logistics, industry, trade and public sector sectors make the company a sought-after partner. With annual sales of EUR 4.0 million and 12 employees as well as a network of approx. 70 SAP consultants, the company will contribute to CENIT's success from now on, especially in Austria.

Employees

As of June 30, 2023, the CENIT Group had 862 employees (December 31, 2022: 861). CENIT strives to increase the capacity rate of its employees so that, despite the acquisitions and the resulting increase in the number of employees, an adjustment takes place at the same time.

Report on principal transactions with related parties

There have been no material changes to the relevant information since the last consolidated financial statement for the period to December 31, 2022.

Report on opportunities and risks

For information on the principal opportunities and risks for the anticipated development of the CENIT Group, we refer to the relevant comments in the report on expected developments within the Group's management report for the period as of December 31, 2022.

Report on forecasts and other statements regarding anticipated development

Over the course of a year, business activity is subject to certain seasonal fluctuations. In the past, contributions to sales and earnings tended to be lowest in the first quarter and highest in the fourth quarter, primarily due to a traditionally strong year-end business for the software industry. Consequently, interim results have only limited value as indicators of results for the whole fiscal year.

For the current year, also due to the increased order backlog, our outlook for the CENIT Group is to reach a revenue of around EUR 180,000 k and earnings (EBIT) of around EUR 9,500 k. This forecast does not include any new acquisition effects.

CENIT AKTIENGESELLSCHAFT, STUTTGART
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IN ACCORDANCE WITH IFRS)
(UNAUDITED)

in EUR k	Q2 2023	Q2 2022	H1 2023	H1 2022
REVENUE	44,054	38,514	87,470	73,912
Other operating income	1,117	520	1,447	737
OPERATING INCOME	45,171	39,034	88,917	74,649
Cost of materials	18,073	17,528	36,147	34,525
Personnel expenses	19,097	15,514	39,737	31,163
Amortisation of intangible assets and depreciation of property, plant and equipment	1,560	1,146	3,126	2,259
Other operating expenses	3,713	3,351	7,101	5,579
OPERATING EXPENSES	42,442	37,539	86,111	73,526
Impairments on receivables	-115	11	-186	-4
NET OPERATING INCOME (EBIT)	2,613	1,507	2,620	1,119
Interest income	-3	1	3	1
Interest expenses	285	66	535	101
NET PROFIT (LOSS) BEFORE TAXES (EBT)	2,331	1,442	2,088	1,019
Income taxes	521	377	363	467
NET INCOME CONTINUED OPERATIONS	1,810	1,065	1,725	552
Net Income/Loss discontinued operations	54	0	66	0
NET INCOME	1,864	1,065	1,791	552
Amount attributable to CENIT AG shareholders	1,750	986	1,548	387
Amount attributable to non-controlling interests	114	79	243	165
<i>Earnings per share in cents, basic and diluted</i>	<i>21.1</i>	<i>11.8</i>	<i>18.5</i>	<i>4.6</i>
Items that, under certain circumstances, will be reclassified under the income statement in the Future				
Compensation from currency translation for foreign subsidiaries	26	178	-26	225
Reclassification of currency differences resulting from deconsolidation	27	0	27	0
Other comprehensive income after taxes	53	178	1	225
Total comprehensive income	1,917	1,242	1,792	777
Amount attributable to CENIT AG shareholders	1,803	1,163	1,549	612
Amount attributable to minority shareholders	114	79	243	165

CENIT AKTIENGESELLSCHAFT, STUTTGART
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN ACCORDANCE WITH IFRS)
(UNAUDITED)

in EUR k	30/06/2023	31/12/2022
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	39,882	37,626
Property, plant and equipment	12,080	13,371
Investments recognised to equity	59	59
Other financial assets	8,841	9,988
Deferred tax assets	1,109	1,017
NON-CURRENT ASSETS, total	61,971	62,061
CURRENT ASSETS		
Inventories	61	72
Trade receivables	24,320	26,032
Receivables from investments recognised to equity	3,286	3,891
Contract assets	1,484	1,639
Current tax assets	4,116	2,222
Other receivables	751	425
Cash holdings	19,600	19,914
Other assets	13,761	10,781
CURRENT ASSETS, total	67,379	64,976
TOTAL ASSETS	129,350	127,037

CENIT AKTIENGESELLSCHAFT, STUTT GART
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN ACCORDANCE WITH IFRS)
(UNAUDITED)

in EUR k	30/06/2023	31/12/2022
EQUITY AND LIABILITIES		
EQUITY		
Subscribed capital	8,368	8,368
Capital reserves	1,058	1,058
Currency translation reserve	1,398	1,397
Legal reserve	418	418
Other reserves	13,787	13,787
Profit carried forward	13,621	11,522
Net income	1,548	6,283
Equity attributable to shareholders in the parent company	40,198	42,833
Non-controlling interests	2,193	1,950
EQUITY, total	42,391	44,783
NON-CURRENT LIABILITIES		
Other liabilities	511	511
Pension liabilities	811	844
Lease liability, non-current	6,945	8,144
Other financial liabilities	1,660	1,660
Deferred tax liabilities	2,726	2,830
NON-CURRENT LIABILITIES, total	12,653	13,989
CURRENT LIABILITIES		
Liabilities to bank	19,703	21,353
Trade payables	6,323	11,163
Liabilities from investments recognised to equity	0	26
Other liabilities	14,600	13,273
Lease liability, current	2,940	3,349
Current income tax liabilities	712	558
Other provisions	49	74
Contract liabilities	29,979	18,469
CURRENT LIABILITIES, total	74,306	68,265
TOTAL EQUITY AND LIABILITIES	129,350	127,037

CENIT AKTIENGESELLSCHAFT, STUTTGART		
CONSOLIDATED STATEMENT OF CASH FLOWS		
(IN ACCORDANCE WITH IFRS) (UNAUDITED)		
in EUR k	H1 2023	H1 2022
Cash flow from operating activities		
Net income	1,791	552
Depreciation of fixed assets	3,126	2,259
Loss on sale of equipment	10	0
Interest income and expenses	532	100
Income from sale of fully consolidated companies	-871	0
Tax expenses	363	467
Decrease in other non-current assets	1,147	0
De-/Increase in other non-current liabilities and reserves	-25	57
Change in working capital	5,940	7,020
Interest paid	-435	-34
Income taxes paid	-1,274	-1,141
CASH FLOW FROM CURRENT BUSINESS ACTIVITIES	10,304	9,280
Payments for investments in property, plant and equipment and intangible assets	-1,053	-307
Payments for purchase of shares in fully consolidated entities (net cash outflow)	-1,735	-27,927
Payments made or received from sale of fully consolidated companies (net inflow / outflow)	-76	0
CASH FLOW FROM INVESTMENT ACTIVITIES	-2,864	-28,234
Lease liability payments	-1,913	-1,533
Dividends to shareholders in the parent company	- 4,184	-6,276
Bank liabilities borrowed	0	23,000
Bank liabilities repaid	-1,650	0
CASH FLOW FROM FINANCING ACTIVITIES	-7,747	15,191
CHANGES IN CASH AND CASH EQUIVALENTS	-306	-3,763
Change in cash and cash equivalents due to foreign exchange differences	-8	290
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD	19,914	26,359
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	19,600	22,886

CENIT AKTIENGESELLSCHAFT, STUTTGART
STATEMENT OF CHANGES IN EQUITY (IN ACCORDANCE WITH IFRS) (UNAUDITED)

	Equity attributable to shareholders in the parent company								
in EUR k	Subscribed capital	Capital reserves	Currency translation reserve	Revenue reserves		Profit carried forward	Net income	Non-controlling interests	Total
				Legal reserve	Other reserves				
On 1/1/2022	8,368	1,058	1,159	418	14,076	13,547	4,251	768	43,645
Reclassification of Group net income from last year						4,251	-4,251		
Total comprehensive income for the period			238		429		6,283	326	7,276
Addition to basis of consolidation								2,260	2,260
Dividends paid to minority interests								-523	-523
Step-up of minority interests					-718			-881	-1,600
Dividend distribution						-6,276			6,2763
On 31/12/2022	8,368	1,058	1,397	418	13,787	11,522	6,283	1,950	44,783
Reclassification of Group net income from last year						6,283	-6,283		
Total comprehensive income for the period			-26				1,548	243	1,765
Purchase of additional shares from minority interests			27						27
Access of non-controlling interests									
Dividend distribution						-4,184			-4,184
On 30/06/2023	8,368	1,058	1,398	418	13,787	13,621	1,548	2,193	42,391

Notes on the interim financial statement

Pursuant to section 315e of the German Commercial Code (HGB), this condensed consolidated interim financial statement for the listed company CENIT Aktiengesellschaft, Stuttgart, was prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), as adopted by the EU, and interpretations thereof by the International Financial Reporting Interpretation Committee (IFRIC). In line with the provisions of IAS 34, we have chosen to make the scope of the information presented in this interim financial statement for the period to June 30, 2023 considerably shorter than that in the year-end consolidated financial statement.

The **accounting and consolidation principles** applied in this consolidated interim financial statement are based on those adopted in the consolidated financial statement for the 2022 fiscal year. No new standards were adopted by the EU in the first half of 2023. This condensed consolidated interim financial statement should be read in conjunction with the CENIT consolidated financial statement for the 2022 fiscal year.

The **scope of consolidation** has changed as follows compared to December 31, 2022:

- By purchase agreement dated January 25, 2023 and closing on January 31, 2023, CENIT AG acquired 100% of the shares in MIP Management Informations Partner Gesellschaft für EDV - Beratung und Management-Training mbh (MIP). MIP, headquartered in Munich, is a specialist in the fields of data management and analysis, software development and the operation of IT infrastructures and applications in the GSA region. MIP was included in the consolidated financial statements for the first time as of January 31, 2023. As of June 30, 2023, MIP had 18 employees and has contributed to CENIT's success with sales revenues of EUR 1,361 k and earnings of EUR 181 k since its initial consolidation.
- The consideration transferred for the acquisition of the shares in MIP included a fixed amount of EUR 3,273 k and a variable earn-out agreement. Due to the ongoing purchase price allocation, no intangible assets were capitalised as of the reporting date and goodwill of EUR 2,789 k, which is not deductible for tax purposes, was provisionally capitalised.
- CENIT incurred expenses for legal advice and due diligence in connection with the business combination in the amount of EUR 94 k. These costs are reported under other operating expenses.

The following table shows the preliminary fair values of the assets and liabilities at the acquisition date:

Fair values at the acquisition date (preliminary) in EUR K	31/01/2023
Intangible assets	4
Property, plant and equipment	333
Trade accounts receivable	416
Other receivables	43
Cash and cash equivalents	1,541
Other Assets	98
Total assets	2,435
Lease liabilities	249
Trade accounts payable	322
Other liabilities	1,182
Current income tax liabilities	71
Other accrued liabilities	117
Deferred tax liabilities	7
Total liabilities	1,948
Net assets	487

With the signing of the contract on March 29, 2023, CENIT AG sold 100% of the shares in its subsidiary CENIT Japan K.K., effective as of June 01, 2023. Since then, the Japanese subsidiary of CENIT has been part of Argo Graphics Inc. (Tokyo) and now acts as a master reseller for the CENIT software FASTSUITE E2. With this merger, CENIT has strengthened its presence in the Japanese robotics market. The purchase price amounted to EUR 900 k and generated a deconsolidation gain of EUR 871 k, which was recognised in other operating income.

The consolidated interim financial statement of June 30, 2023 has not been audited or subjected to review. Concerning material changes in the consolidated balance sheet and statement of comprehensive income, we refer you to the report on net assets, financial and earnings situation within this interim management report.

Estimates and assumptions

Estimates and assumptions contain corresponding risks and uncertainties. Many factors that have an influence on the business model, business activities, business strategy and success of the CENIT Group are not always within the CENIT Group's sphere of influence. When updating the estimates and discretionary decisions, available information on the probable economic development was taken into account. This information was included when examining the recoverability of financial assets, in particular receivables.

Relevant information on current as well as expected business development was taken into account in the analysis on the recoverability of financial assets, particularly with regard to trade receivables and goodwill (IAS 36). In this context, there were no indications of impairment of goodwill.

BREAKDOWN OF INCOME BY PRODUCT/INCOME TYPE

in EUR k	H1 2023	H1 2022	Change in %
Third-party software	44,754	43,654	2.5
from licences	2,471	3,207	-22.9
from subscriptions	7,191	6,340	13.4
from software updating	35,092	34,107	2.9
CENIT consulting and services	35,008	22,231	57.5
CENIT Software	7,637	7,985	-4.4
from licences	1,570	2,320	-32.3
from subscriptions	768	228	236.8
from software updating	5,299	5,437	-2.5
Merchandise	71	42	67.5
Total	87,470	73,912	18.3

BREAKDOWN OF INCOME BY REGIONS

in EUR k	H1 2023	H1 2022	Change in %
Germany	55,818	43,411	28.6
Europe excluding Germany	28,566	26,515	7.7
America	3,004	3,310	-9.2
Asia	82	676	-87.9
Total	87,470	73,912	18.3

Group segment report

The principles on which information on Group segments was prepared are the same as those adopted in the consolidated financial statement for the 2022 fiscal year.

For corporate management purposes, the Group is organised into business units based on its products and services, and includes the following two reportable operating segments:

- PLM (Product Lifecycle Management)
- EIM (Enterprise Information Management)

30 JUNE 2023 IN EUR K	PLM	EIM	RECONCILIATION	TOTAL
External revenue	69.060	18.410	0	87,470
Amortisation and depreciation	1,689	1,437	0	3,126
EBIT	1,964	656	0	2,620
Financial result	0	0	- 532	-532
Income taxes	0	0	- 363	-363
Net income	2,030	656	-895	1,791
Segment assets	52,911	51,613	24,826	129,350
Segment liabilities	42,745	18,947	25,266	86,958
Investments in property, plant and equipment and intangible assets	873	180	0	1,053

30 JUNE 2022 IN EUR K	PLM	EIM	RECONCILIATION	TOTAL
External revenue	65,084	8,828	0	73,912
Amortisation and depreciation	2,023	236	0	2,259
EBIT	490	629	0	1,119
Financial result	0	0	-100	-100
Income taxes	0	0	-467	-467
Net income	490	629	-567	552
Segment assets	50,709	39,419	27,595	117,724
Segment liabilities	41,083	12,977	26,087	80,148
Investments in property, plant and equipment and intangible assets	300	49	0	349

Responsibility statement

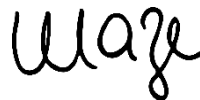
“To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, we affirm that the half-yearly financial report provides a true and fair impression of the assets and the financial and earnings situation of the Group, and that this report describes the course of business, including the business result and the financial situation of the group, in such a way as to impart a true and fair impression of actual circumstances, as well as describing the principal risks and opportunities associated with the anticipated development of the Group.”

Stuttgart, August 2023

CENIT Aktiengesellschaft
The Management Board



Peter Schneck
Spokesman, Management Board



Axelle Mazé
Chief Financial Officer



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