

# Software AG

## Financial Information

### Q4 / 2019

*January 29, 2020*  
(unaudited)

## Table of Contents

p. 3	Key Figures as of the Fourth Quarter and as of December 31, 2019 and 2018
p. 4	Consolidated Income Statement for the Fourth Quarter and Fiscal Years 2019 and 2018
p. 5	Consolidated Balance Sheet as of December 31, 2019 and 2018
p. 6	Consolidated Statement of Cash Flows for the Fourth Quarter and Fiscal Years 2019 and 2018
p. 7	Segment Report for Fiscal Years 2019 and 2018
p. 8	Segment Report for the Fourth Quarter 2019 and 2018
p. 9	Segment DBP with Revenue Split for Fiscal Years 2019 and 2018
p. 10	Segment DBP with Revenue Split for the Fourth Quarter 2019 and 2018
p. 11	Statement of Comprehensive Income for the Fourth Quarter and Fiscal Years 2019 and 2018

## Key Figures as of the Fourth Quarter and as of December 31, 2019 and 2018

(IFRS, unaudited)

in € millions (unless otherwise stated)	12M 2019 (as stated)	12M 2019 acc <sup>1</sup>	12M 2018 (as stated)	+/- as %	+/- as % acc <sup>1</sup>	Q4 2019 (as stated)	Q4 2019 acc <sup>1</sup>	Q4 2018 (as stated)	+/- as %	+/- as % acc <sup>1</sup>
<b>Revenue</b>	<b>890,6</b>	<b>874,1</b>	<b>865,7</b>	<b>3%</b>	<b>1%</b>	<b>255,0</b>	<b>250,7</b>	<b>264,6</b>	<b>-4%</b>	<b>-5%</b>
DBP (incl. Cloud & IoT)	474,5	465,2	464,7	2%	0%	146,9	144,6	148,1	-1%	-2%
Thereof DBP (excl. Cloud & IoT)	432,2	423,4	434,4	-1%	-3%	135,6	133,4	138,4	-2%	-4%
Thereof DBP (Cloud & IoT)	42,3	41,7	30,3	39%	38%	11,3	11,2	9,6	18%	16%
A&N	228,9	224,9	218,3	5%	3%	59,2	58,0	68,7	-14%	-16%
Licenses	245,1	240,3	249,4	-2%	-4%	88,2	86,3	105,0	-16%	-18%
Maintenance	435,0	426,8	415,4	5%	3%	111,0	109,5	106,6	4%	3%
SaaS	22,7	22,3	17,6	29%	27%	6,6	6,5	5,0	33%	31%
Recurring revenue portion DBP (incl. Cloud & IoT)	79%					72%				
Bookings DBP (incl. Cloud & IoT) <sup>5</sup>	307,0					122,8				
Thereof DBP (excl. Cloud & IoT) <sup>5</sup>	241,1					103,7				
Thereof DBP (Cloud & IoT) <sup>5</sup>	65,9					19,1				
Bookings A&N <sup>5</sup>	100,8					29,2				

	Dec. 31, 2019	Dec. 31, 2018	12/19-12/18 +/- as %	+/- as % acc <sup>1</sup>
ARR DBP (incl. Cloud & IoT) <sup>4</sup>	340,0	305,4	11%	10%
Thereof ARR DBP (Cloud & IoT) <sup>4</sup>	41,7	30,1	39%	37%

	12M 2019	12M 2018	+/- as %	Q4 2019	Q4 2018	+/- as %
<b>Operating EBITA (non-IFRS)</b>	<b>260,3</b>	<b>272,9</b>	<b>-5%</b>	<b>84,2</b>	<b>96,4</b>	<b>-13%</b>
as % of revenue	29,2%	31,5%		33,0%	36,5%	
DBP segment earnings	130,6	147,0	-11%	50,2	51,3	-2%
Segment margin	27,5%	31,6%		34,2%	34,6%	
A&N segment earnings	159,8	155,4	3%	40,2	51,0	-21%
Segment margin	69,8%	71,2%		68,0%	74,2%	
<b>Net income (non-IFRS)</b>	<b>188,1</b>	<b>195,0</b>	<b>-4%</b>	<b>61,6</b>	<b>71,5</b>	<b>-14%</b>
<b>Earnings per share (non-IFRS)<sup>2</sup></b>	<b>2,54</b>	<b>2,64</b>	<b>-4%</b>	<b>0,83</b>	<b>0,97</b>	<b>-14%</b>
<b>Operating cash flow</b>	<b>172,0</b>	<b>195,1</b>	<b>-12%</b>	<b>48,0</b>	<b>61,4</b>	<b>-22%</b>
CapEx <sup>3</sup>	-10,0	-11,0		-0,5	-2,3	
Repayments of lease liabilities	-16,2			-4,6		
<b>Free cash flow</b>	<b>145,8</b>	<b>184,1</b>	<b>-21%</b>	<b>42,9</b>	<b>59,1</b>	<b>-27%</b>
<b>Adjusted operational free cash flow</b>	<b>161,9</b>			<b>43,0</b>		
as % of revenue	18,2%			16,9%		
Adjusted operational free cash flow per share	2,19			0,58		

Balance sheet	Dec. 31, 2019	Dec. 31, 2018	+/- as %
<b>Total assets</b>	<b>2.116,1</b>	<b>2.007,9</b>	<b>5%</b>
Cash and cash equivalents	513,6	462,3	11%
Net cash	217,0	149,0	46%
<b>Employees (FTE)</b>	<b>4.948</b>	<b>4.763</b>	<b>4%</b>

<sup>1</sup> acc = At constant currency

<sup>2</sup> Based on weighted average shares outstanding (basic) 12M 2019: 74.0 mn / 12M 2018: 74.0 mn / Q4 2019: 74.0 mn / Q4 2018: 74.0 mn

<sup>3</sup> Cash flow from investing activities adjusted for acquisitions and investments in debt instruments

<sup>4</sup> Annual recurring revenue

<sup>5</sup> Bookings according to 2020 definition

Because the figures in this report are stated in accordance with commercial rounding principles, totals and percentages may not always be exact.

## Consolidated Income Statement for the Fourth Quarter and Fiscal Years 2019 and 2018

(IFRS, unaudited)

in € thousands	12M 2019	12M 2018	+/- as %	Q4 2019	Q4 2018	+/- as %
Licenses	245.100	249.365	-2%	88.204	104.987	-16%
Maintenance	434.959	415.400	5%	111.022	106.552	4%
SaaS	22.651	17.555	29%	6.630	4.978	33%
Professional Services	187.196	182.540	3%	48.955	47.725	3%
Other	701	851	-18%	205	317	-35%
<b>Total revenue</b>	<b>890.607</b>	<b>865.711</b>	<b>3%</b>	<b>255.016</b>	<b>264.559</b>	<b>-4%</b>
Costs of sales	-203.095	-194.965	4%	-55.037	-51.244	7%
<b>Gross profit</b>	<b>687.512</b>	<b>670.746</b>	<b>2%</b>	<b>199.979</b>	<b>213.315</b>	<b>-6%</b>
Research and development expenses	-131.269	-124.423	6%	-34.825	-35.878	-3%
Sales, marketing and distribution expenses	-265.012	-244.721	8%	-75.510	-75.364	0%
General and administrative expenses	-74.767	-73.952	1%	-20.430	-19.704	4%
Other income	15.100	16.163	-7%	2.930	3.879	-24%
Other expense	-16.721	-12.220	37%	-6.195	-3.414	81%
Other taxes	-6.805	-7.044	-3%	-2.705	-2.230	21%
<b>Operating profit</b>	<b>208.038</b>	<b>224.549</b>	<b>-7%</b>	<b>63.244</b>	<b>80.604</b>	<b>-22%</b>
Finance income	13.299	10.482	27%	3.662	2.645	38%
Finance cost	-6.218	-6.161	1%	-1.493	-1.768	-16%
<b>Finance income, net</b>	<b>7.081</b>	<b>4.321</b>	<b>64%</b>	<b>2.169</b>	<b>877</b>	<b>147%</b>
<b>Earnings before income taxes</b>	<b>215.119</b>	<b>228.870</b>	<b>-6%</b>	<b>65.413</b>	<b>81.481</b>	<b>-20%</b>
Income taxes	-59.802	-63.675	-6%	-17.201	-20.187	-15%
<b>Net income</b>	<b>155.317</b>	<b>165.195</b>	<b>-6%</b>	<b>48.212</b>	<b>61.294</b>	<b>-21%</b>
<b>    Thereof attributable to shareholders of Software AG</b>	<b>154.974</b>	<b>164.875</b>	<b>-6%</b>	<b>48.066</b>	<b>61.166</b>	<b>-21%</b>
<b>    Thereof attributable to non-controlling interests</b>	<b>343</b>	<b>320</b>		<b>146</b>	<b>128</b>	
Earnings per share (€, basic)	2,09	2,23	-6%	0,65	0,83	-22%
Earnings per share (€, diluted)	2,09	2,23	-6%	0,65	0,83	-22%
Weighted average number of shares outstanding (basic)	73.979.889	73.978.520	-	73.979.889	73.979.889	-
Weighted average number of shares outstanding (diluted)	73.979.889	73.980.884	-	73.979.889	73.981.830	-

## Consolidated Balance Sheet as of December 31, 2019 and 2018

(IFRS, unaudited)

Assets (in € thousands)	Dec. 31, 2019	Dec. 31, 2018
<b>Current assets</b>		
Assets held for sale	4.795	0
Cash and cash equivalents	513.632	462.362
Other financial assets	5.720	15.302
Trade and other receivables	206.596	207.494
Other non-financial assets	26.299	20.109
Income tax receivables	18.943	19.680
	<b>775.985</b>	<b>724.947</b>
<b>Non-current assets</b>		
Intangible assets	116.601	136.972
Goodwill	980.088	964.377
Property, plant and equipment	103.977	71.023
Other financial assets	17.078	19.563
Trade and other receivables	96.544	68.675
Other non-financial assets	3.024	2.924
Income tax receivables	10.835	9.416
Deferred tax receivables	11.955	10.007
	<b>1.340.102</b>	<b>1.282.957</b>
<b>Total Assets</b>	<b>2.116.087</b>	<b>2.007.904</b>
<b>Equity and Liabilities (in € thousands)</b>	<b>Dec. 31, 2019</b>	<b>Dec. 31, 2018</b>
<b>Current liabilities</b>		
Liabilities from assets held for sale	5.092	0
Financial liabilities	96.389	111.888
Trade and other payables	35.793	38.831
Other non-financial liabilities	118.605	145.839
Other provisions	35.861	30.630
Income tax liabilities	35.569	37.953
Contract liabilities / Deferred income	140.893	123.276
	<b>468.202</b>	<b>488.417</b>
<b>Non-current liabilities</b>		
Financial liabilities	200.225	201.432
Trade and other payables	90	3.245
Other non-financial liabilities	1.343	266
Other provisions	7.360	10.320
Provisions for pensions and similar obligations	47.963	34.621
Income tax liabilities	2.643	2.898
Deferred tax liabilities	10.594	11.398
Contract liabilities / Deferred income	20.212	16.245
	<b>290.430</b>	<b>280.425</b>
<b>Equity</b>		
Share capital	74.000	74.000
Capital reserves	22.580	22.612
Retained earnings	1.302.257	1.201.689
Other reserves	-41.304	-59.138
Treasury shares	-757	-757
<b>Attributable to shareholders of Software AG</b>	<b>1.356.776</b>	<b>1.238.406</b>
<b>Non-controlling interests</b>	<b>679</b>	<b>656</b>
	<b>1.357.455</b>	<b>1.239.062</b>
<b>Total Equity and Liabilities</b>	<b>2.116.087</b>	<b>2.007.904</b>

## Consolidated Statement of Cash Flows for the Fourth Quarter and Fiscal Years 2019 and 2018

(IFRS, unaudited)

in € thousands	12M 2019	12M 2018	Q4 2019	Q4 2018
Net income	155.317	165.195	48.212	61.294
Income taxes	59.802	63.675	17.201	20.187
Net financial income/expense	-7.081	-4.321	-2.169	-877
Amortization/depreciation of non-current assets	47.451	32.069	11.925	7.895
Payments for the settlement of share based payment rights with a choice of settlement	-32	-53	0	0
Other non-cash income/expense	5.304	-1.033	5.231	892
Changes in receivables and other assets	-31.092	31.810	-51.224	-22.355
Changes in payables and other liabilities	973	-39.513	37.708	6.639
Income taxes paid/received	-65.685	-56.472	-20.891	-13.087
Interest paid	-6.220	-6.779	-1.584	-1.856
Interest received	13.299	10.480	3.658	2.645
<b>Net cash flow from operating activities</b>	<b>172.036</b>	<b>195.058</b>	<b>48.067</b>	<b>61.377</b>
Proceeds from the sale of property, plant and equipment/intangible assets	1.624	304	60	36
Purchase of property, plant and equipment/intangible assets	-11.634	-10.222	-2.132	-3.885
Proceeds from the sale of non-current financial assets	2.060	1.811	1.570	1.561
Purchase of non-current financial assets	-1.989	-2.836	-51	-1
Proceeds from the sale of current financial assets	809	271	491	0
Purchase of current financial assets	-953	-994	-76	-109
Payments for acquisitions, net	-5.135	-46.693	0	107
<b>Net cash flow from investing activities</b>	<b>-15.218</b>	<b>-58.359</b>	<b>-138</b>	<b>-2.291</b>
Use of treasury shares	0	88	0	0
Dividends paid	-52.846	-48.348	0	0
Proceeds/payments for current financial liabilities	-49.353	7.673	-39.804	-4.768
Repayments of lease liabilities	-16.249	0	-4.601	0
New non-current financial liabilities	0	100.028	0	0
Repayment of non-current financial liabilities	-5	-100.021	0	-10
<b>Net cash flow from financing activities</b>	<b>-118.453</b>	<b>-40.580</b>	<b>-44.405</b>	<b>-4.778</b>
Change in cash and cash equivalents	38.365	96.119	3.524	54.308
Change in cash and cash equivalents from currency translation	12.905	428	-8.814	1.162
<b>Net change in cash and cash equivalents</b>	<b>51.270</b>	<b>96.547</b>	<b>-5.290</b>	<b>55.470</b>
Cash and cash equivalents at beginning of period	462.362	365.815	518.922	406.892
<b>Cash and cash equivalents at end of period</b>	<b>513.632</b>	<b>462.362</b>	<b>513.632</b>	<b>462.362</b>
<b>Free cash flow</b>	<b>145.848</b>	<b>184.115</b>	<b>42.913</b>	<b>59.088</b>

## Segment Report for Fiscal Years 2019 and 2018

(IFRS, unaudited)

in € thousands	DBP (incl. Cloud & IoT)			A&N			Professional Services <sup>1</sup>			Reconciliation		TOTAL		
	12M 2019	12M 2019	12M 2018	12M 2019	12M 2019	12M 2018	12M 2019	12M 2019	12M 2018	12M 2019	12M 2018	12M 2019	12M 2019	12M 2018
	as stated	at constant currency	as stated	as stated	at constant currency	as stated	as stated	at constant currency	as stated	as stated	as stated	as stated	at constant currency	as stated
Licenses	163.893	160.872	174.915	81.207	79.417	74.450						245.100	240.289	249.365
Maintenance	287.926	282.020	272.231	147.033	144.803	143.169						434.959	426.823	415.400
SaaS	22.651	22.259	17.555	0	0	0						22.651	22.259	17.555
<b>Product revenue</b>	<b>474.470</b>	<b>465.151</b>	<b>464.701</b>	<b>228.240</b>	<b>224.220</b>	<b>217.619</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>702.710</b>	<b>689.371</b>	<b>682.320</b>
Professional Services	0	0	0	0	0	0	187.196	184.010	182.540			187.196	184.010	182.540
Other	0	0	47	701	701	703	0	0	101			701	701	851
<b>Total revenue</b>	<b>474.470</b>	<b>465.151</b>	<b>464.748</b>	<b>228.941</b>	<b>224.921</b>	<b>218.322</b>	<b>187.196</b>	<b>184.010</b>	<b>182.641</b>	<b>0</b>	<b>0</b>	<b>890.607</b>	<b>874.082</b>	<b>865.711</b>
Cost of sales	-40.579	-40.254	-35.945	-8.069	-7.981	-6.263	-146.224	-143.574	-144.885	-8.223	-7.872	-203.095		-194.965
<b>Gross profit</b>	<b>433.891</b>	<b>424.897</b>	<b>428.803</b>	<b>220.872</b>	<b>216.940</b>	<b>212.059</b>	<b>40.972</b>	<b>40.436</b>	<b>37.756</b>	<b>-8.223</b>	<b>-7.872</b>	<b>687.512</b>		<b>670.746</b>
Sales, marketing and distribution expenses	-198.226	-194.459	-181.200	-34.874	-34.445	-32.820	-18.235	-17.894	-17.425	-13.677	-13.276	-265.012		-244.721
<b>Segment contribution</b>	<b>235.665</b>	<b>230.438</b>	<b>247.603</b>	<b>185.998</b>	<b>182.495</b>	<b>179.239</b>	<b>22.737</b>	<b>22.542</b>	<b>20.331</b>	<b>-21.900</b>	<b>-21.148</b>	<b>422.500</b>		<b>426.025</b>
Research and development expenses	-105.104	-104.134	-100.612	-26.165	-25.579	-23.811	0	0	0	0	0	-131.269		-124.423
<b>Segment earnings</b>	<b>130.561</b>	<b>126.304</b>	<b>146.991</b>	<b>159.833</b>	<b>156.916</b>	<b>155.428</b>	<b>22.737</b>	<b>22.542</b>	<b>20.331</b>	<b>-21.900</b>	<b>-21.148</b>	<b>291.231</b>		<b>301.602</b>
General and administrative expenses												-74.767		-73.952
Other income												15.100		16.163
Other expense												-16.721		-12.220
Other taxes												-6.805		-7.044
<b>Operating profit</b>												<b>208.038</b>		<b>224.549</b>
Finance income												13.299		10.482
Finance cost												-6.218		-6.161
<b>Finance income, net</b>												<b>7.081</b>		<b>4.321</b>
<b>Earnings before income taxes</b>												<b>215.119</b>		<b>228.870</b>
Income taxes												-59.802		-63.675
<b>Net income</b>												<b>155.317</b>		<b>165.195</b>

<sup>1</sup> Consulting until 2018; realigned for solution implementation in cooperation with customers and partners as of 2019

## Segment Report for the Fourth Quarter 2019 and 2018

(IFRS, unaudited)

in € thousands	DBP (incl. Cloud & IoT)			A&N			Professional Services <sup>1</sup>			Reconciliation		TOTAL		
	Q4 2019	Q4 2019	Q4 2018	Q4 2019	Q4 2019	Q4 2018	Q4 2019	Q4 2019	Q4 2018	Q4 2019	Q4 2018	Q4 2019	Q4 2019	Q4 2018
	as stated	at constant currency	as stated	as stated	at constant currency	as stated	as stated	at constant currency	as stated	as stated	as stated	as stated	at constant currency	as stated
Licenses	65.967	64.892	73.187	22.237	21.415	31.800						88.204	86.307	104.987
Maintenance	74.260	73.177	69.879	36.762	36.336	36.673						111.022	109.513	106.552
SaaS	6.630	6.537	4.978	0	0	0						6.630	6.537	4.978
<b>Product revenue</b>	<b>146.857</b>	<b>144.606</b>	<b>148.044</b>	<b>58.999</b>	<b>57.751</b>	<b>68.473</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>205.856</b>	<b>202.357</b>	<b>216.517</b>
Professional Services	0	0	0	0	0	0	48.955	48.092	47.725			48.955	48.092	47.725
Other	0	0	6	205	205	213	0	0	98			205	205	317
<b>Total revenue</b>	<b>146.857</b>	<b>144.606</b>	<b>148.050</b>	<b>59.204</b>	<b>57.956</b>	<b>68.686</b>	<b>48.955</b>	<b>48.092</b>	<b>47.823</b>	<b>0</b>	<b>0</b>	<b>255.016</b>	<b>250.654</b>	<b>264.559</b>
Cost of sales	-11.681	-11.634	-9.770	-2.336	-2.315	-1.635	-39.011	-38.234	-38.048	-2.009	-1.791	-55.037		-51.244
<b>Gross profit</b>	<b>135.176</b>	<b>132.972</b>	<b>138.280</b>	<b>56.868</b>	<b>55.641</b>	<b>67.051</b>	<b>9.944</b>	<b>9.858</b>	<b>9.775</b>	<b>-2.009</b>	<b>-1.791</b>	<b>199.979</b>		<b>213.315</b>
Sales, marketing and distribution expenses	-57.263	-56.413	-57.499	-9.474	-9.400	-9.711	-5.329	-5.222	-4.764	-3.444	-3.390	-75.510		-75.364
<b>Segment contribution</b>	<b>77.913</b>	<b>76.559</b>	<b>80.781</b>	<b>47.394</b>	<b>46.241</b>	<b>57.340</b>	<b>4.615</b>	<b>4.636</b>	<b>5.011</b>	<b>-5.453</b>	<b>-5.181</b>	<b>124.469</b>		<b>137.951</b>
Research and development expenses	-27.664	-26.122	-29.496	-7.161	-6.964	-6.382	0	0	0	0	0	-34.825		-35.878
<b>Segment earnings</b>	<b>50.249</b>	<b>50.437</b>	<b>51.285</b>	<b>40.233</b>	<b>39.277</b>	<b>50.958</b>	<b>4.615</b>	<b>4.636</b>	<b>5.011</b>	<b>-5.453</b>	<b>-5.181</b>	<b>89.644</b>		<b>102.073</b>
General and administrative expenses												-20.430		-19.704
Other income												2.930		3.879
Other expense												-6.195		-3.414
Other taxes												-2.705		-2.230
<b>Operating profit</b>												<b>63.244</b>		<b>80.604</b>
Finance income												3.662		2.645
Finance cost												-1.493		-1.768
<b>Finance income, net</b>												<b>2.169</b>		<b>877</b>
<b>Earnings before income taxes</b>												<b>65.413</b>		<b>81.481</b>
Income taxes												-17.201		-20.187
<b>Net income</b>												<b>48.212</b>		<b>61.294</b>

<sup>1</sup> Consulting until 2018; realigned for solution implementation in cooperation with customers and partners as of 2019



## Segment DBP with Revenue Split for Fiscal Years 2019 and 2018

(IFRS, unaudited)

in € thousands	DBP (Cloud & IoT)			DBP (excl. Cloud & IoT)			DBP (incl. Cloud & IoT)		
	12M 2019 as stated	12M 2019 at constant currency	12M 2018 as stated	12M 2019 as stated	12M 2019 at constant currency	12M 2018 as stated	12M 2019 as stated	12M 2019 at constant currency	12M 2018 as stated
Licenses	12.624	12.530	8.702	151.269	148.342	166.213	163.893	160.872	174.915
Maintenance	6.992	6.928	4.061	280.934	275.092	268.170	287.926	282.020	272.231
SaaS	22.651	22.259	17.555	0	0	0	22.651	22.259	17.555
<b>Product revenue</b>	<b>42.267</b>	<b>41.717</b>	<b>30.318</b>	<b>432.203</b>	<b>423.434</b>	<b>434.383</b>	<b>474.470</b>	<b>465.151</b>	<b>464.701</b>
Professional Services	0	0	0	0	0	0	0	0	0
Other	0	0	1	0	0	46	0	0	47
<b>Total revenue</b>	<b>42.267</b>	<b>41.717</b>	<b>30.319</b>	<b>432.203</b>	<b>423.434</b>	<b>434.429</b>	<b>474.470</b>	<b>465.151</b>	<b>464.748</b>
Cost of sales							-40.579	-40.254	-35.945
<b>Gross profit</b>							<b>433.891</b>	<b>424.897</b>	<b>428.803</b>
Sales, marketing and distribution expenses							-198.226	-194.459	-181.200
<b>Segment contribution</b>							<b>235.665</b>	<b>230.438</b>	<b>247.603</b>
Research and development expenses							-105.104	-104.134	-100.612
<b>Segment earnings</b>							<b>130.561</b>	<b>126.304</b>	<b>146.991</b>

## Segment DBP with Revenue Split for the Fourth Quarter 2019 and 2018

(IFRS, unaudited)

in € thousands	DBP (Cloud & IoT)			DBP (excl. Cloud & IoT)			DBP (incl. Cloud & IoT)		
	Q4 2019	Q4 2019	Q4 2018	Q4 2019	Q4 2019	Q4 2018	Q4 2019	Q4 2019	Q4 2018
	as stated	at constant currency	as stated	as stated	at constant currency	as stated	as stated	at constant currency	as stated
Licenses	2.641	2.635	3.145	63.326	62.257	70.042	65.967	64.892	73.187
Maintenance	2.023	2.013	1.490	72.237	71.164	68.389	74.260	73.177	69.879
SaaS	6.630	6.537	4.978	0	0	0	6.630	6.537	4.978
<b>Product revenue</b>	<b>11.294</b>	<b>11.185</b>	<b>9.613</b>	<b>135.563</b>	<b>133.421</b>	<b>138.431</b>	<b>146.857</b>	<b>144.606</b>	<b>148.044</b>
Professional Services	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	6	0	0	6
<b>Total revenue</b>	<b>11.294</b>	<b>11.185</b>	<b>9.613</b>	<b>135.563</b>	<b>133.421</b>	<b>138.437</b>	<b>146.857</b>	<b>144.606</b>	<b>148.050</b>
Cost of sales							-11.681	-11.634	-9.770
<b>Gross profit</b>							<b>135.176</b>	<b>132.972</b>	<b>138.280</b>
Sales, marketing and distribution expenses							-57.263	-56.413	-57.499
<b>Segment contribution</b>							<b>77.913</b>	<b>76.559</b>	<b>80.781</b>
Research and development expenses							-27.664	-26.122	-29.496
<b>Segment earnings</b>							<b>50.249</b>	<b>50.437</b>	<b>51.285</b>

## Statement of Comprehensive Income for the Fourth Quarter and Fiscal Years 2019 and 2018

(IFRS, unaudited)

in € thousands	12M 2019	12M 2018	Q4 2019	Q4 2018
<b>Net income</b>	<b>155.317</b>	<b>165.195</b>	<b>48.212</b>	<b>61.294</b>
Currency translation differences from foreign operations	32.494	11.557	-22.133	4.282
Net profit/(loss) from cash flow hedges	1.258	-6.472	1.960	-1.276
Currency translation gain/loss from net investments in foreign operations	-1.736	1.768	-2.582	425
<b>Items to be reclassified to the income statement if certain conditions are met</b>	<b>32.016</b>	<b>6.853</b>	<b>-22.755</b>	<b>3.431</b>
Net profit/(loss) from equity instruments designated to measurement at fair value through other comprehensive income	-1.514	-4.858	132	-171
Net actuarial gain/loss on pension obligations	-12.668	5.772	-12.733	5.728
<b>Items not to be reclassified to the income statement</b>	<b>-14.182</b>	<b>914</b>	<b>-12.601</b>	<b>5.557</b>
<b>Other comprehensive income</b>	<b>17.834</b>	<b>7.767</b>	<b>-35.356</b>	<b>8.988</b>
<b>Total comprehensive income</b>	<b>173.151</b>	<b>172.962</b>	<b>12.856</b>	<b>70.282</b>
Thereof attributable to shareholders of Software AG	172.808	172.642	12.709	70.154
Thereof attributable to non-controlling interests	343	320	147	128

**Investor Relations**

Uhlandstraße 12  
64297 Darmstadt  
Germany

Telephone: +49 (0) 6151 / 92 1900  
Fax: +49 (0) 6151 / 9234 1900  
E-Mail: [investor.relations@softwareag.com](mailto:investor.relations@softwareag.com)

[www.softwareag.com](http://www.softwareag.com)

