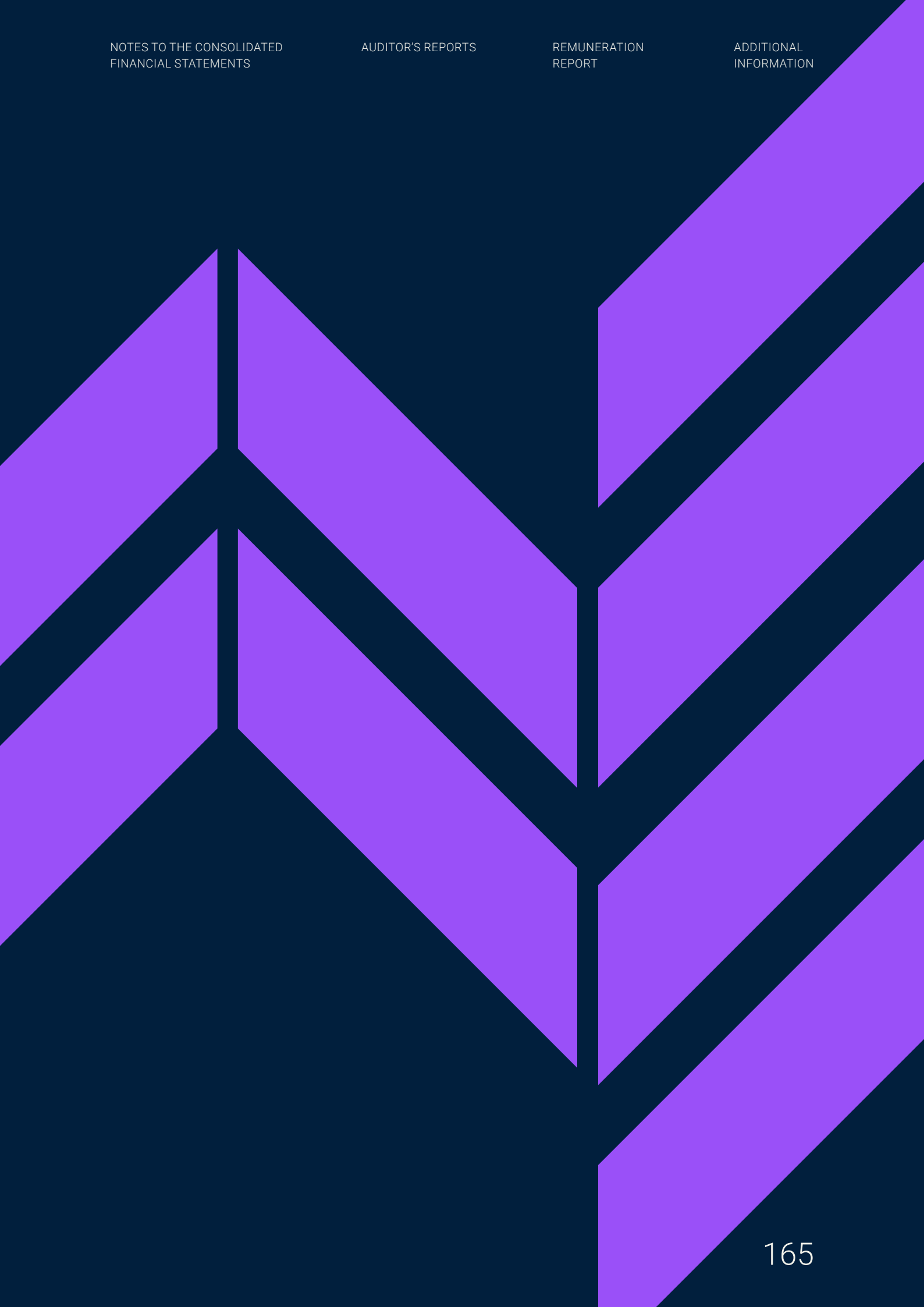




# Consolidated Financial Statements

166	Consolidated Income Statement
167	Statement of Comprehensive Income
168	Consolidated Balance Sheet
170	Consolidated Statement of Cash Flows
172	Consolidated Statement of Changes in Equity



# Consolidated Income Statement

## For fiscal years 2022 and 2021

in € thousands	Note	2022	2021
Licenses		314,497	240,504
Maintenance		405,264	399,363
SaaS		75,844	44,138
Product revenue		795,605	684,005
Services		162,568	149,834
Other		7	3
<b>Total revenue</b>	<b>[5]</b>	<b>958,180</b>	<b>833,842</b>
Cost of sales		-239,894	-188,827
<b>Gross profit</b>		<b>718,286</b>	<b>645,015</b>
Research and development expenses		-181,387	-151,180
Sales, marketing, and distribution expenses		-341,976	-280,208
General and administrative expenses		-94,343	-82,807
Other income	[6]	58,877	16,477
Other expenses	[7]	-81,333	-25,224
Other taxes	[10]	-2,483	-5,297
<b>Operating income</b>		<b>75,641</b>	<b>116,776</b>
Financing income	[8]	14,868	7,181
Financing expenses	[8]	-25,402	-6,164
<b>Net financial income/expenses</b>		<b>-10,534</b>	<b>1,017</b>
<b>Earnings before income taxes</b>		<b>65,107</b>	<b>117,793</b>
Income taxes	[9]	-45,860	-33,449
<b>Net income</b>		<b>19,247</b>	<b>84,344</b>
thereof attributable to shareholders of Software AG		18,984	83,862
thereof attributable to non-controlling interests		263	482
Earnings per share in € (basic)	[12]	0.26	1.13
Earnings per share in € (diluted)	[12]	0.26	1.13
Weighted average number of shares outstanding (basic)		73,979,889	73,979,889
Weighted average number of shares outstanding (diluted)		73,979,889	73,979,889

# Statement of Comprehensive Income

## For fiscal years 2022 and 2021

in € thousands	Note	2022	2021
<b>Net income</b>		<b>19,247</b>	<b>84,344</b>
Currency translation differences from foreign operations		30,750	83,647
Net gain/(loss) from cash flow hedges	[27]	26	912
Currency translation gain/loss from net investments in foreign operations		6,295	0
<b>Items to be reclassified to the income statement if certain conditions are met</b>		<b>37,071</b>	<b>84,559</b>
Net gain/(loss) from equity instruments designated to measurement at fair value through other comprehensive income	[29]	-679	-470
Net actuarial gain/loss from remeasurement of post-employment benefit obligations	[26]	41,444	13,885
<b>Items not to be reclassified to the income statement</b>		<b>40,765</b>	<b>13,415</b>
<b>Gain/loss recognized in equity</b>	[27]	<b>77,836</b>	<b>97,974</b>
<b>Total comprehensive income</b>		<b>97,083</b>	<b>182,318</b>
thereof attributable to shareholders of Software AG		96,820	181,836
thereof attributable to non-controlling interests		263	482

# Consolidated Balance Sheet

## ASSETS

in € thousands	Note	Dec. 31, 2022	Dec. 31, 2021
<b>Current assets</b>			
Cash and cash equivalents		427,105	585,844
Other financial assets	[13]	2,551	24,092
Trade receivables, contract assets, and other receivables	[14]	251,799	198,466
Other non-financial assets	[15]	51,987	39,487
Income tax receivables	[16]	36,505	27,029
		<b>769,947</b>	<b>874,918</b>
<b>Non-current assets</b>			
Intangible assets	[17]	221,702	87,466
Goodwill	[17]	1,381,828	986,136
Property, plant, and equipment	[18]	76,005	76,877
Investment property	[19]	5,635	6,241
Other financial assets	[13]	9,823	21,115
Trade receivables, contract assets, and other receivables	[14]	135,848	128,732
Other non-financial assets	[15]	52,812	9,113
Income tax receivables	[16]	15,748	14,225
Deferred tax receivables	[20]	9,057	16,567
		<b>1,908,458</b>	<b>1,346,472</b>
<b>Total assets</b>		<b>2,678,405</b>	<b>2,221,390</b>

**EQUITY AND LIABILITIES**

in € thousands	Note	Dec. 31, 2022	Dec. 31, 2021
<b>Current liabilities</b>			
Financial liabilities	[21]	31,888	84,866
Trade and other payables	[22]	57,350	53,548
Other non-financial liabilities	[23]	138,037	137,888
Other provisions	[24]	59,529	43,924
Income tax liabilities	[25]	30,673	34,980
Contract liabilities	[5]	137,168	135,675
		<b>454,645</b>	<b>490,881</b>
<b>Non-current liabilities</b>			
Financial liabilities	[21]	635,217	223,767
Trade and other payables	[22]	130	212
Other non-financial liabilities	[23]	866	1,564
Other provisions	[24]	5,504	12,124
Provisions for pensions and similar obligations	[26]	11,750	35,042
Income tax liabilities	[25]	911	1,629
Deferred tax liabilities	[20]	42,671	6,397
Contract liabilities	[5]	15,559	11,560
		<b>712,608</b>	<b>292,295</b>
<b>Equity</b>	<b>[27]</b>		
Subscribed capital		74,000	74,000
Capital reserves		55,737	22,580
Retained earnings		1,332,134	1,369,375
Other reserves		50,038	-27,798
Treasury shares		-757	-757
<b>Attributable to shareholders of Software AG</b>		<b>1,511,152</b>	<b>1,437,400</b>
<b>Non-controlling interests</b>		<b>-</b>	<b>814</b>
		<b>1,511,152</b>	<b>1,438,214</b>
<b>Total equity and liabilities</b>		<b>2,678,405</b>	<b>2,221,390</b>

# Consolidated Statement of Cash Flows

## For fiscal years 2022 and 2021

in € thousands	2022	2021
Net income	19,247	84,344
Income taxes	45,860	33,449
Net financial income/expenses	10,534	-1,017
Amortization/depreciation of non-current assets	83,222	40,165
Other noncash income/expenses	-12,094	544
Changes in receivables and other assets	-117,735	-29,064
Changes in payables and other liabilities	33,757	23,590
Income taxes paid	-39,604	-35,765
Interest paid	-19,695	-7,221
Interest received	14,907	7,210
<b>Net cash flow from operating activities</b>	<b>18,399</b>	<b>116,235</b>
Proceeds from the sale of property, plant, and equipment/intangible assets	3,055	2,127
Purchase of property, plant, and equipment/intangible assets	-13,465	-11,158
Proceeds from the sale of non-current financial assets	4,902	1,063
Purchase of non-current financial assets	-2,011	-3,904
Proceeds from the sale of current financial assets	23,268	8,698
Purchase of current financial assets	-2,381	-27,666
Proceeds from the sale of an affiliated entity	10,776	0
Proceeds/payments from disposals of assets held for sale	0	2,132
Payments for acquisitions, net	-537,317	0
<b>Net cash flow from investing activities</b>	<b>-513,173</b>	<b>-28,708</b>
Dividends paid	-56,699	-56,629
Proceeds/payments for current financial liabilities	-583	-7,496
Repayment of lease liabilities	-11,968	-12,974
New non-current financial liabilities	464,300	60,000
Repayment of non-current financial liabilities	-78,333	-3
<b>Net cash flow from financing activities</b>	<b>316,717</b>	<b>-17,102</b>
Change in cash and cash equivalents	-178,057	70,425
Change in cash and cash equivalents from currency translation	19,318	35,437
<b>Net change in cash and cash equivalents</b>	<b>-158,739</b>	<b>105,862</b>
Cash and cash equivalents at beginning of period	585,844	479,982
<b>Cash and cash equivalents at end of period</b>	<b>427,105</b>	<b>585,844</b>





# Consolidated Statement of Changes in Equity

For fiscal years 2022 and 2021

in € thousands	Subscribed capital	Capital reserves	Retained earnings	
	Common shares outstanding (no.)			
Equity as of Jan. 1, 2021	73,979,889	74,000	22,580	1,341,738
Total comprehensive income <sup>1</sup>				83,862
Transactions with shareholders				
Dividend payment				-56,225
Transactions between shareholders				
Equity as of Dec. 31, 2021	73,979,889	74,000	22,580	1,369,375
Equity as of Jan. 1, 2022	73,979,889	74,000	22,580	1,369,375
Total comprehensive income				18,984
Transactions with shareholders				
Dividend payment				-56,225
Issue of convertible bonds			33,157	
Change in scope of consolidated entities				
Transactions between shareholders				
Equity as of Dec. 31, 2022	73,979,889	74,000	55,737	1,332,134

<sup>1</sup> Total comprehensive income includes net income of €19,247 thousand (2021: €84,344 thousand) which was allocated in full to retained earnings.

Other reserves				Treasury shares	Attributable to shareholders of Software AG	Non-controlling interests	Total
Currency translation differences from foreign operations	Net gain/loss on remeasuring financial assets	Gain/loss from remeasurement of post-employment benefit obligations	Currency translation gain/loss from net investments in foreign operations				
-73,395	-8,340	-50,961	6,924	-757	1,311,789	736	1,312,525
83,647	442	13,885			181,836	482	182,318
					-56,225	-404	-56,629
10,252	-7,898	-37,076	6,924	-757	1,437,400	814	1,438,214
10,252	-7,898	-37,076	6,924	-757	1,437,400	814	1,438,214
30,750	-653	41,444	6,295		96,820	263	97,083
					-56,225	-474	-56,699
					33,157		33,157
						-603	-603
41,002	-8,551	4,368	13,219	-757	1,511,152	0	1,511,152