

KEY FIGURES

As of June 30, 2022 and 2021

| in € millions (unless otherwise stated) | H1 2022 | H1 2021 | +/- as % | +/- as % acc ¹ | Q2 2022 | Q2 2021 | +/- as % | +/- as % acc ¹ |
|---|--------------------------|--------------------------|-----------------|-------------------------------------|----------------|-----------------|----------|------------------------------|
| Group revenue | 432.9 | 401.3 | 8 | 2 | 226.9 | 218.2 | 4 | -2 |
| Product revenue | | | | | | | | |
| Digital Business | 246.8 | 212.7 | 16 | 11 | 135.8 | 113.7 | 19 | 13 |
| Adabas & Natural (A&N) | 107.8 | 114.7 | -6 | -12 | 51.8 | 67.2 | -23 | -29 |
| Licenses | 122.9 | 109.1 | 13 | 8 | 67.4 | 70.6 | -5 | -10 |
| Maintenance | 199.2 | 198.3 | 0 | -5 | 101.8 | 99.8 | 2 | -5 |
| Software as a Service (SaaS) | 32.4 | 20.0 | 62 | 55 | 18.5 | 10.5 | 76 | 66 |
| Group bookings | 244.5 | 215.4 | 14 | 8 | 132.2 | 126.6 | 4 | -2 |
| Digital Business bookings ² | 195.6 | 153.5 | 27 | 22 | 115.9 | 86.1 | 35 | 27 |
| A&N bookings ² | 48.9 | 61.9 | -21 | -26 | 16.3 | 40.6 | -60 | -63 |
| | June 30, 2022 | June 30, 2021 | +/- as % | +/- as % acc¹ | | | | |
| Group ARR | 658.6 | 539.4 | 22 | 14 | | | | |
| Digital Business ARR ³ | 481.0 | 380.2 | 27 | 19 | | | | |
| A&N ARR ³ | 177.6 | 159.1 | 12 | 4 | | | | |
| | H1 2022 | H1 2021 | +/- as % | Q2 2022 | Q2 2021 | +/- as % | | |
| Operating EBITA (non-IFRS) | 90.3 | 85.3 | 6 | 49.4 | 60.8 | -19 | | |
| as % of revenue | 20.9 | 21.3 | | 21.8 | 27.8 | | | |
| Digital Business segment earnings | 18.1 | 22.7 | -20 | 10.1 | 20.1 | -50 | | |
| Segment margin as % | 7.3 | 10.7 | | 7.4 | 17.7 | | | |
| A&N segment earnings | 71.7 | 79.6 | -10 | 33.7 | 48.5 | -31 | | |
| Segment margin as % | 66.5 | 69.4 | | 65.0 | 72.2 | | | |
| EBIT (IFRS) | 61.9 | 65.4 | -5 | 31.9 | 50.1 | -36 | | |
| Net income (non-IFRS) | 53.9 | 57.2 | -6 | 28.4 | 40.4 | -30 | | |
| Earnings per share in € (non-IFRS)⁴ | 0.73 | 0.77 | -6 | 0.38 | 0.55 | -30 | | |
| Operating cash flow | 12.1 | 70.5 | -83 | -18.5 | 23.5 | | | |
| CapEx ⁵ | 4.2 | 5.6 | -25 | 0.6 | 1.6 | -63 | | |
| Repayment of lease liabilities | 5.3 | 6.7 | -21 | 2.6 | 3.4 | -24 | | |
| Free cash flow | 2.6 | 58.2 | -96 | -21.7 | 18.5 | | | |
| Free cash flow per share in € | 0.04 | 0.79 | -96 | -0.29 | 0.25 | | | |
| | June 30, 2022 | Dec. 31, 2021 | +/- as % | | | | | |
| Balance sheet | | | | | | | | |
| Total assets | 2,662.9 | 2,221.4 | 20 | | | | | |
| Cash and cash equivalents | 387.7 | 585.9 | -34 | | | | | |
| Net debt/cash | -244.8 | 277.3 | | | | | | |
| Employees (FTEs) | 5,059 | 4,819 | 5 | | | | | |

¹ At constant currency.

² Bookings according to the definition in the 2021 Annual Report, page 78.

³ Annual recurring revenue according to the definition in the 2021 Annual Report, page 79.

⁴ Based on weighted average shares outstanding (basic) H1 2022: 74.0 mn/H1 2021: 74.0 mn/Q2 2022: 74.0 mn/Q2 2021: 74.0 mn.

⁵ Cash flow from investing activities adjusted for acquisitions and investments in debt instruments.

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Software AG's financial report for the first half-year of 2022 (Half-Year Report) meets the requirements of German Accounting Standard No. 16 "Half-yearly Financial Reporting" (DRS 16). It complies with the legal requirements in accordance with the German Securities Trading Act (WpHG), and includes the consolidated interim management report, condensed consolidated interim financial statements, and the Responsibility Statement in accordance with the German Securities Trading Act, Section 115 (2). This Half-Year Report carries on from the 2021 Consolidated Financial Statement and presents significant events and transactions of the first half of 2022 and updated forward-looking information as well significant non-financial key figures contained in the 2021 Consolidated Management Report. All of the information in the Half-Year Report is unaudited. This means that the information has been subject neither to any audit nor to any review by an independent auditor.

Unless otherwise stated, all figures are in accordance with IFRS. Changes at constant currency and rounded.

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

SOFTWARE AG'S SHARE

STOCK MARKET PERFORMANCE: TURBULENT FIRST SIX MONTHS OF 2022

The first six months of 2022 was a difficult first half for global stock markets as a multitude of factors weighed to the downside, above all high inflation. Equities took a pounding as investors reacted to high inflation, aggressive monetary policy tightening by central banks, global economic recession fears and the effects of the Russia/Ukraine war. Germany's benchmark DAX® 40 index lost 19.5 percent, while the S&P 500 plummeted 20.6 percent, and the pan-European Stoxx 600 ended the half year down 16.6 percent. Stock market woes are expected to persist into the second half of the year as many of the previously mentioned factors remain in place.

SOFTWARE AG'S SHARE PRICE PERFORMANCE¹

Software AG's share price started off the year at €35.08 and lost 10 percent to reach €31.62 by June 30, 2022, thus outperforming the MDAX® and TecDAX® benchmark indexes, both having declined by 26.5 and 26.4 percent respectively. Software AG's shares recorded their peak of €34.84 just after the announcement of its fourth quarter/full-year 2021 results on February 2, 2022 and hit their low on May 5, 2022, at €27.96. The average Xetra® trading volume was 104,768 shares per day.

¹ Market capitalization was €2,339.88 million on June 30, 2022.

Software AG Share Price Performance Compared to DAX, MDAX and TecDAX (indexed)



ANNUAL SHAREHOLDERS' MEETING AGAIN HELD VIRTUALLY

Software AG's Annual Shareholders' Meeting was held virtually for the third time on May 17, 2022; it was broadcast via Internet. Attendance was even higher than in the previous year (2021: 77 percent) with 79 percent of the Company's share capital represented.

All agenda items were approved by a majority, including the appropriation of profits and a stable dividend of €0.76 (2021: €0.76) per share. The dividend disbursement again totaled €56.2 million. The election of new Supervisory Board members, Christian Yannick Lucas, Oliver Collmann and James M. Whitehurst, and the remuneration system of the Management Board were also approved by a majority. Voting results are available to the public on Software AG's [website](#).

HIGH DEGREE OF ATTENTION FROM CAPITAL MARKET

Thanks to its commitment to cultivating relationships with the financial community, Software AG enjoys a high degree of recognition from analysts in Germany and abroad. Fifteen investment banks published stock analyses and investment recommendations for Software AG in the period under review. Fourteen of them gave Software AG a positive or neutral rating. Analysts' average price target for Software AG was €37.0 at the half mark of 2022.

Meetings with investors and analysts were held virtually, onsite and in hybrid format during the period

under review. Capital market conferences in Germany and abroad also took place virtually, onsite and in hybrid format in the first half of 2022.

SHAREHOLDER STRUCTURE

Software AG's current positioning as an increasingly profitable growth investment continues to attract heightened interest among international and growth-oriented shareholders. The Software AG Foundation remains Software AG's largest shareholder.

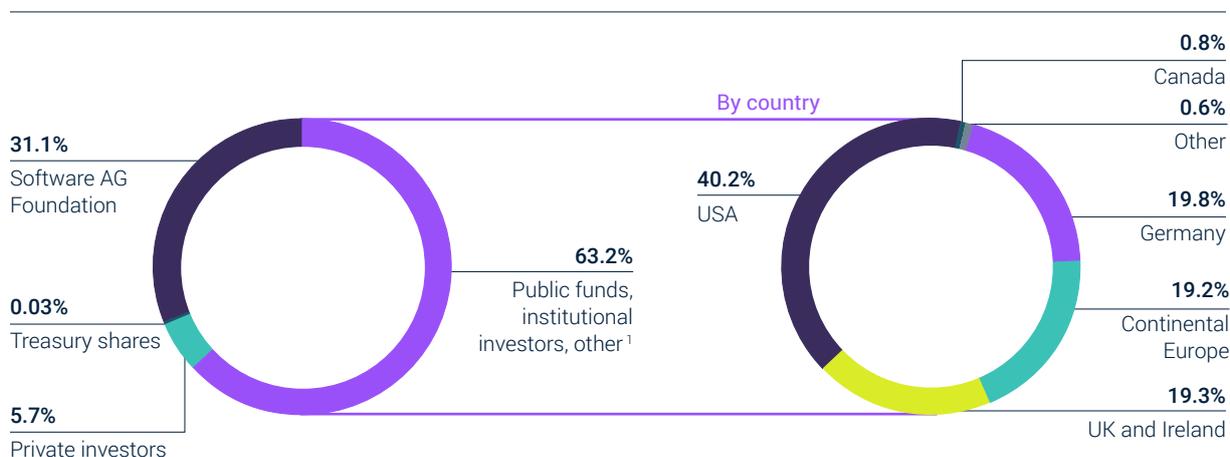
After deducting the balance held by the Software AG Foundation and the Company's own treasury shares, Software AG's free float is approximately 69 percent.

Top Shareholders¹

| Investor | Percentage of Share Capital |
|-----------------------------------|-----------------------------|
| Software AG Foundation | 31.06 |
| Schroders plc | 6.70 |
| Morgan Stanley | 5.90 |
| Franklin Mutual Advisers, LLC | 5.02 |
| Kempen Capital Management N.V. | 3.02 |
| Robert G. Moses (RGM Capital LLC) | 3.01 |

¹ As of June 30, 2022: The table of top shareholders shows all voting rights of 3.00 percent or more for which a notification was received in accordance with Sections 33 and 34 of the German Securities Trading Act (WpHG) in relation to the current share capital of Software AG. Voting rights held directly or through subsidiaries are also taken into account. Shareholders with both shares and financial instruments pursuant to section 38 WpHG or aggregated shareholdings and instruments pursuant to section 39 WpHG are included.

Shareholder Structure



¹ By deducting Software AG Foundation, treasury shares and private investors from total.

Source: BD Corporate - IHS Markit, July 2022.

CONSOLIDATED INTERIM MANAGEMENT REPORT

FUNDAMENTAL ASPECTS OF THE GROUP

Software AG's goal is to connect people, systems and devices to maximize use of data and create a better future. This is reflected in its purpose: "We connect people and technology for a smarter tomorrow." For over 50 years, Software AG has provided its customers with products and services that expand existing IT architectures through innovation and allow integration of new functionality and technologies. Software AG's vendor-neutral solutions enable companies to deploy applications for the Internet of Things (IoT) and Industry 4.0. Thanks to its extensive cloud-ready software portfolio, Software AG's customers can quickly implement use cases and create incremental value while reducing operating costs.

Software AG operates three complementary business lines to address varying customer requirements and business objectives:

- Digital Business
- Adabas & Natural (A&N)
- Professional Services

The first two business lines, Digital Business and A&N, represent Software AG's comprehensive product portfolio and are the primary sources of income, generating revenue from term-limited and perpetual software licenses, the associated maintenance agreements (support services and regular product enhancement updates), as well as Software as a Service (SaaS) offerings.

The Professional Services business line comprises consulting and implementation services that accelerate customer deployment of Software AG products.

At the start of 2019, Software AG announced Helix, its multi-year strategy to transform the Company and achieve sustainable profitable growth by 2023 and beyond. Helix is based on three pillars:

Focus: Concentrating on key markets with the best growth opportunities—including Germany, North

America, UK, France and Japan—and on products that serve these markets and can maximize their growth potential. In addition, Software AG is pursuing a structured approach to the assessment of non-organic growth opportunities through targeted strategic activities in the area of Mergers & Acquisitions (M&A). Software AG strengthened its data integration capabilities in the first half of 2022 through its acquisition of StreamSets.

Execution: Software AG is growing its go-to-market organization and, in particular, sharpening the focus of supporting functions toward implementation of simpler, more precise go-to-market strategies and optimization of sales structures. As part of this expansion, the Company is committed to securing customer success through targeted development of customer success management. Furthermore, it established a team that concentrates specifically on subscription renewals and supports customer engagement efforts during contract renewals to maintain the momentum of subscriptions as a driver of growth.

Team: Cultivating people and corporate culture is at the core of the Team pillar. Software AG is further advancing talent management, has introduced a Cultural Framework and is strengthening its engagement in the areas of diversity, equity, and inclusion. Diverse, motivated and talented employees remain key to maximizing future opportunities. In addition, Software AG designed a comprehensive strategy for hybrid work and introduced worldwide guidelines accordingly. Offices in Singapore, Sofia, Düsseldorf, Derby, Bracknell and Paris have already been modernized to better enable collaboration and innovation, with flexibility of time and location now the Company's new normal.

For more information on the Group and the Helix strategy, please refer to the 2021 Annual Report, which is available at: [Software AG 2021 Annual Report](#).

KEY COMPANY PERFORMANCE INDICATORS

One of Software AG's goals is to sustainably increase its enterprise value, focusing on profitable growth and continuously strengthening financial resilience. As part of its Helix strategy, Software AG introduced new key performance indicators in 2019 that more clearly reflect its medium-term goals for external and internal stakeholders regarding the progress and impact of the strategic transformation. Aside from these external indicators, Software AG also tracks the progress of its transformation process using an internal scorecard that documents the structural success of the transformation based on additional metrics such as the number of new customers signed on within a period or the percentage of subscriptions or SaaS in bookings.

For more information on the Group's financial and non-financial performance indicators and specific early warning indicators, refer to pp. 77-81 of the 2021 Annual Report.

To ensure transparent reporting, the organic results provided in this half-year report will not include the contribution of StreamSets, which was acquired in April 2022. Group earnings will include StreamSets.

MANAGEMENT'S ASSESSMENT OF THE HALF-YEAR RESULTS

In the first half of 2022 we delivered a robust revenue and profit performance, underpinned by our continuing transition to subscription and Software as a Service (SaaS) through Helix. Following a softer Digital Business organic bookings performance in the second quarter and the emergence of a new macroeconomic environment, we took the decision to revise our Digital Business bookings guidance for the full year. All other full year 2022 guidance metrics remain unchanged. The demand environment for our products and our new business pipeline remain strong and we are confident we will deliver a strong second half of the year and succeed in meeting our full-year commitments.

From a financial perspective, our Digital Business organic bookings performance was softer than expected, up 7 percent in the second quarter and 11 percent in the first half. Subscription and SaaS bookings of our Digital Business bookings total accounted for 89 percent in the second quarter and 85 percent in the first half. Including StreamSets, Digital Business bookings were up 27 percent in the second quarter and 22 percent in the first half.

We delivered our fifth consecutive quarter of Digital Business organic product revenue growth, up 8 percent in the second quarter and in the first half respectively. With the addition of StreamSets, Digital Business product revenue was up 13 percent in the second quarter and 11 percent in the first half. As of June 30, 2022, annual recurring revenue (ARR) in the Digital Business saw organic growth of 11 percent year-on-year, supported by the Group's new business growth. Including StreamSets, Digital Business ARR grew by 19 percent.

At the top line, total organic product revenue growth was 1 percent in the first half. Our organic recurring revenue growth also continued, increasing 1 percent in the first half, representing 91 percent of first half total product revenue and 74 percent of total revenue. Group product revenue growth was 3 percent in the first half.

Our organic operating margin performance (non-IFRS) was robust at 24.6 percent in the second quarter and 22.3 percent in the first half, demonstrating the profitable growth we set out to deliver at the start of our Helix program.

Operationally, our efforts to address more of our market opportunity are being powered by our three key growth drivers in new business, which include landing new logos and expanding existing customer relationships, migrating customers to subscription and growth from subscription renewals.

In new business, we secured 69 new logos during the second quarter, an acceleration on the prior quarter, including high quality enterprise new logo wins with Mitsui and Flow International. The Group delivered 126 new logos in the first half. This performance shows the Group continues to be highly competitive in the marketplace and that its focus on landing new logos for future expansion is proving successful.

Our migrations performance continues to be driven by a combination of innovation and capacity increases. Our Digital Business migration multiplier is year-to-date tracking in line with our target of about 1.5x.

In renewals, the Group continues to progress in line with its expectations.

Our progress in each of these growth drivers continues to be based on the quality of our growth products, which help customers solve some of the biggest data-related challenges that occur along their digital backbones. These products sit in the areas of Hybrid Integration, IoT and Analytics, and Business Transformation.

In Business Transformation, our cloud-native ARIS Process Mining portfolio, for example, continues to bring innovation to market which is enabling enterprises to become more sustainable. ARIS is rated as a leader by analysts for its full coverage of transformation capabilities, and its new “insight-to-action” feature is resonating strongly with customers. This tool lets customers use process mining insights to trigger automated actions in their systems, including the ability to trigger invoices at the right time, and define rules that deliver process insights to other applications.

ARIS’ ability to help customers mine and model new and effective processes delivered a strong new logo with Mitsui and a large expansion deal with British Telecom in the second quarter. In both use cases, our technology is helping digitize, simplify and improve quality, increasing operational efficiency, accelerating innovation and reducing cost.

Concerning our people and culture, we announced an expansion of our Management Board in the second quarter, effective as of August 1, 2022. Joshua Husk was appointed CRO, replacing Scott Little, who left the

Company. Joshua is a proven sales leader who has built and scaled sales organizations in highly competitive markets. His skill set and significant corporate experience are ideally suited to driving Software AG further into the acceleration phase of its transformation strategy.

We also announced that Dr. Benno Quade had been appointed Group COO and will join Software AG’s Management Board. An outstanding internal candidate, Benno has been with Software AG for 10 years and knows its business and transformation strategy intimately.

More broadly, Software AG continues to invest in its culture to support sustainable profitable growth, enabled by continued evolution of the Group’s employee value proposition. This includes the modernization of some employee incentives to reinforce key behaviours that underpin profitable growth, and the bolstering of talent acquisition and retention through the continued support of hybrid working.

Having announced our StreamSets acquisition at the end of February 2022 and seen it close early in the second quarter, we have been focused on ensuring StreamSets’ standalone momentum continues. StreamSets is already contributing to the Group’s sales success with strong growth of more than 50 percent in the second quarter. This included a significant expansion agreement with one of the world’s largest semiconductor companies.

Our string of pearls M&A strategy, supported by our partner Silver Lake, remains a key part of our overall plan to supplement organic growth in the future and we continue to build, assess, and progress our M&A pipeline.

As announced on July 14, 2022, the Group decided to adjust its full-year guidance for Digital Business organic bookings growth in 2022 to between 12 and 18 percent. This was due to softer-than-expected Digital Business bookings in the second quarter as well as to early signs of prolonged customer decision-making in light of a changing macro environment.

While the overall demand environment remains robust, the Group anticipates this change in decision-making behavior to extend into the second half of the year, increasing the possibility of delays in deal closings.

All other full-year 2022 guidance metrics remain unchanged, as do Software AG’s organic ambitions for 2023.

“We continue to see good demand for our cloud-native products in the market and our SaaS products are performing strongly despite a changing macroeconomic environment. With Joshua Husk joining as CRO to lead our sales organization and Benno Quade appointed COO to drive end-to-end operational excellence and support continued margin expansion, we are confident we will deliver our second-half and our full-year commitments.”

SANJAY BRAHMAWAR
CEO OF SOFTWARE AG

“Our ability to deliver a strong second half is underpinned by the success of our shift to subscription and SaaS. This is best reflected in our continued double-digit ARR growth and Digital Business revenue performance, which in combination with our clear focus on tight cost management, simplification and operational excellence, is driving Software AG towards sustainable, profitable growth.”

DR. MATTHIAS HEIDEN
CFO OF SOFTWARE AG

FINANCIAL PERFORMANCE

GROUP BOOKINGS

As part of the Helix strategy, which was launched in 2019, Software AG is increasingly shifting existing customers from the perpetual licensing model to subscriptions as well as signing new contracts based on subscriptions (i.e., granting term-limited software licenses and the associated service agreements in exchange for recurring payments) or Software as a Service (SaaS). This allows Software AG to better address customers’ needs for greater flexibility in the selection of products and usage and allows its customers to stretch their investment over time.

Software AG reports an increasing portion of revenue distributed across the entire term of a contract rather than up front as in previous periods. Current sales performance is presented as bookings at constant currency so as to reflect the true momentum of the business. This metric illustrates the contract value within a reporting period and—for better comparability—is calculated based on a standardized term of three years, which represents the average term of agreement.

Recurring revenue is generated during the term of SaaS and subscription-based agreements. The overall objective is to achieve a higher degree of revenue predictability and quality. The annual recurring revenue (ARR) metric is a key confidence indicator of future recurring revenue potential. It refers to the annualized contract value of active contracts in the recurring product business until the end of a reporting period.

Group bookings revenue rose in the first six months of the year by 8 percent at constant currency to €244.5 million (2021: €215.4 million). ARR as of June 30, 2022 grew year-on-year by 14 percent at constant currency to €658.6 million (2021: €539.4 million).

TOTAL REVENUE

A result of the Group’s steady shift to a stronger focus on subscription and SaaS contracts is that a higher proportion of revenue is generated over time. Group revenue totaled €432.9 million (2021: €401.3 million) in the first half of 2022. This represents a 2 percent increase at constant currency. Of that amount, product revenue accounted for €354.6 million (2021: €327.4 million), marking an increase of 3 percent at constant currency.

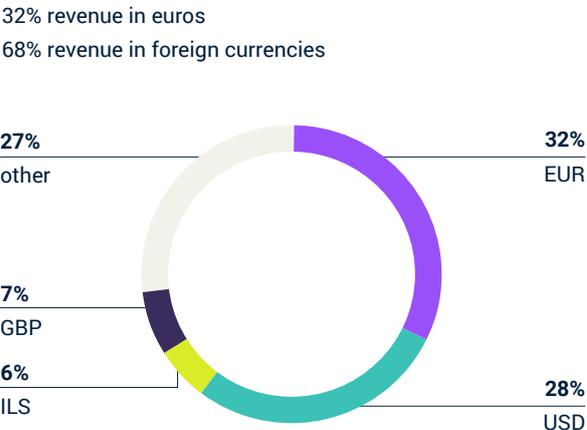
Group revenue from subscriptions in the first half of 2022 rose year-on-year to €138.5 million (2021: €108.0 million), or 23 percent at constant currency. SaaS revenue also demonstrated robust growth at 55 percent at constant currency. Owing to the shift to subscription, revenue from perpetual licenses rose just 4 percent at constant currency and the associated maintenance revenue decreased 16 percent in the first half of the year.

EXCHANGE RATE EFFECTS

Exchange rate effects raised Group revenue by €21.9 million, or 5 percent, in the first half of 2022. The largest impact was on revenue from perpetual licenses in the amount of €10.3 million. The corresponding exchange rate effect was due primarily to the change in the relationship of the euro to the U.S. dollar during the second quarter of 2022.

The percentage of Software AG’s revenue in foreign (non-euro) currency is more than twice as high as that in euros due to its global focus and operations in 70 countries. The share of total revenue generated in foreign currencies remained unchanged at 68 percent (2021: 68 percent) in the first half of 2022. Accordingly, the share of revenue in euros remained at 32 percent. The U.S. dollar continued to account for the largest portion of revenue outside the eurozone, which at 28 percent (2021: 31 percent), was below the prior-year level.

Currency Split in First Half of 2022



REVENUE AND EARNINGS BY BUSINESS LINE (SEGMENT REPORT)

Software AG's total Group revenue was €432.9 million (2021: €401.3 million) in the first half of 2021 and can be broken down by business line as follows:

- Revenue in the high-growth Digital Business segment continued to increase disproportionately accounting for 57 percent (2021: 53 percent) of Group revenue.
- The A&N segment's share of Group revenue fell to 25 percent (2021: 29 percent).
- The Professional Services segment again accounted for 18 percent (2021: 18 percent) of total Group revenue.

Digital Business

The Digital Business segment includes all Software AG products for business transformation, integration and API management, as well as cloud and IoT projects. With these products, Software AG serves high-growth markets and helps companies solve complex and critical problems.

Digital Business bookings totaled €195.6 million (2021: €153.5 million) in the first half of 2022, which marks a 22 percent increase at constant currency. On an organic basis (excluding StreamSets), Digital Business bookings grew 11 percent at constant currency to €176.2 million in the first half of the year. Subscriptions accounted for 62 percent (2021: 68 percent) of bookings in the Digital Business segment (including StreamSets), which reflects growth of 12 percent at constant currency. SaaS bookings represented nearly 25 percent (2021: 21 percent) of all Digital Business bookings. Year-on-year, SaaS bookings increased 44 percent at constant currency.

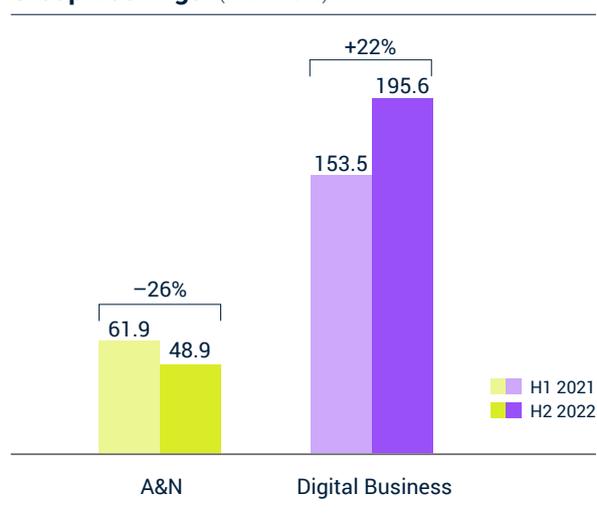
Bookings growth translated to revenue growth as well. At €246.8 million (2021: €212.7 million), total revenue in this segment grew 11 percent at constant currency over the previous year. On an organic basis, revenue grew 8 percent at constant currency to €240.9 million.

Annual recurring revenue (ARR) in the Digital Business was €481.0 million (2021: €380.2 million) as of June 30, 2022, which represents growth of 19 percent year-on-year.

The segment's cost of sales rose 17 percent to €34.1 million (2021: €28.7 million) year-on-year. This was due to the effects of SaaS revenue on hosting costs and cloud operations. R&D expenses reflect

Software AG's strategy of targeted investments in high-potential fields. In the first half of 2022, these expenses totaled €68.4 million (2021: €58.4 million). The segment margin decreased from 10.7 percent in the previous year to 7.3 percent due to these ongoing investments. Excluding StreamSets, the segment margin was 11.4 percent.

Group Bookings¹ (in € millions)



¹ At constant currency.

Adabas & Natural

Bookings in the Adabas & Natural segment totaled €48.9 million (2021: €61.9 million) in the first half of the year, which represents a 26 percent decline at constant currency. The decrease is primarily due to the above-average seasonal results reported by the Adabas & Natural business in the first half of the previous year, which is used as the basis for comparison. Based on the current pipeline for the second half of the year, bookings growth will follow the anticipated guidance of 0 to 5 percent.

The percentage of subscriptions in A&N bookings increased to 64 percent (2021: 61 percent) in the first half of 2022.

The segment's product revenue fell 12 percent at constant currency to €107.8 million (2021: €114.7 million). Revenue from perpetual licenses saw a decline of 34 percent at constant currency to €12.7 million (2021: €17.5 million) due in part to the shift to subscriptions. Revenue from subscriptions was down 2 percent at constant currency from the previous year at €34.1 million (2021: €33.0 million).

The cost of sales for the A&N segment decreased 15 percent at constant currency from €4.3 million to €3.9 million. R&D expenses for the A&N segment grew 4 percent at constant currency to €16.2 million (2021: €15.6 million). This was due to a slight increase in personnel costs, mainly as a result of customary general salary increases at the global R&D locations.

A&N segment earnings saw a decrease of 17 percent at constant currency to €71.7 million (2021: €79.6 million). Its margin was 66.5 percent (2021: 69.4 percent). These results illustrate the lasting confidence customers have in the Adabas & Natural 2050+ program as well as the necessity to safeguard their business-critical A&N systems.

Professional Services

Professional Services revenue was stable at constant currency at €78.4 million (2021: €73.9 million) in the first half of 2021. Segment earnings were €13.6 million (2021: €13.9 million), reflecting a currency-adjusted decline of 7 percent in the first half of 2022. Thus, the segment developed largely according to plan.

The cost of sales in Professional Services increased by 2 percent at constant currency from €53.7 million to €58.2 million.

EARNINGS PERFORMANCE

Software AG's **cost of sales** rose 10 percent at constant currency to €104.5 million (2021: €91.7 million) in the first half of 2022. **Gross profit** remained stable at constant currency at €328.4 million (2021: €309.6 million). Software AG's **gross margin** totaled 75.9 percent compared with 77.1 percent in the previous year.

Due to targeted investments as part of the Helix transformation, R&D expenses in the first half of 2022 rose 11 percent at constant currency to €84.6 million (2021: €74.0 million). Investments in sales and marketing totaled €153.5 million (2021: €127.3 million). In addition to an intensified focus on new business and the shift to subscription, continuous customer care was also a top priority in order to maximize customer lifetime value. Administrative expenses rose year-on-year by 9 percent at constant currency to €44.9 million (2021: €40.2 million). Other income increased to €16.5 million in the first half of 2022, compared with expenses of €2.7 million in the prior-year period. The main driver here was currency effects, primarily in connection with the StreamSets acquisition.

Earnings before interest and taxes (EBIT)¹ totaled €61.9 million (2021: €65.4 million), which represents a currency-adjusted decrease of 18 percent. Excluding StreamSets, EBIT was €76.8 million, reflecting a currency-adjusted increase of 2 percent.

Software AG's **operating EBITA (non-IFRS)**¹ grew 6 percent from €85.3 million in the previous year to €90.3 million in the first half of 2022, resulting in a Group **operating margin (non-IFRS)**¹ of 20.9 percent (2021: 21.3 percent). On an organic basis, operating EBITA (non-IFRS)¹ was €94.9 million, giving Software AG an operating EBITA margin (non-IFRS) of 22.3 percent in the first half of the year. This is slightly above the full-year 2022 guidance range.

Net financial expenses increased to -€5.4 million (2021: -€0.7 million) due to interest payments for convertible bonds and other financing interest as well as to low interest income against the backdrop of low interest rates. Software AG's income taxes totaled €18.8 million (2021: €19.3 million) with a total imputed tax rate of 37.4 percent (2021: 33.0 percent). The year-on-year increase resulted mainly from changes in the non-deductible expenses.

The Group's **net income** decreased 18 percent year-on-year to €35.4 million (2021: €43.4 million). This resulted in earnings per share (basic) of €0.48 (2021: €0.58), with an unchanged number of shares outstanding.

¹ For definitions, refer to p. 78 of the 2021 Annual Report.

FINANCIAL POSITION

Net cash flow from **operating activities** was down €58.4 million from €70.5 million in the previous year to €12.1 million in the first half of 2022. This decline was primarily because of one-time effects related to income taxes and M&A activities as well as the increase in not-yet-due receivables and customer contract assets. Following Software AG's business model transformation and shift to recurring revenue and cash flows, later payments are typical during the transition period, especially in connection with the granting of term licenses in subscription contracts.

Cash outflows from **investing activities** were €543.2 million compared to €12.5 million in the previous year. This change was primarily due to the acquisition of StreamSets.

Cash inflows from **financing activities** amounted to €296.5 million compared to outflows of €9.3 million in the previous year. The €305.8 million increase mainly related to the issue of convertible bonds.

Cash and cash equivalents were €387.7 million (2021: €542.3 million) as of June 30, 2022 compared to €585.8 million at the beginning of the year. This €198.1 million decline resulted from the balance of the cash flows presented above, plus a valuation-related change in the amount of €36.5 million.

Free cash flow decreased to €2.6 million in the first half of the year compared with €58.2 million one year before. This was mainly due to the change in net cash flow from operating activities as described above.

BALANCE SHEET

Software AG's balance sheet remained robust. As of June 30, 2022, the balance sheet total was €2,662.9 million compared with €2,221.4 million as of December 31, 2021.

On the **assets side**, **current assets** decreased by €153.1 million from €874.9 million as of December 31, 2021 to €721.8 million, due especially to the following changes:

- As described in Financial Position, cash and cash equivalents declined from €585.8 million at the beginning of the year to €387.7 million.
- Current other financial assets increased by €2.5 million from €24.1 million at the end of 2021 to €26.6 million. This resulted largely from short-term financial investments.

- Current trade receivables, contract assets and other receivables increased by €18.8 million compared with December 31, 2021 to €217.3 million as of June 30, 2022 due in particular to higher contract assets. These relate to performance obligations that have been delivered to customers by Software AG, but will be invoiced later due to contractual provisions.
- Current other non-financial assets were up €6.2 million from €39.5 million to €45.7 million, due mainly to the €4.0 million increase in advance payments for future expenses and other effects. This relates to costs associated with the acquisition of agreements with customers, which are distributed over the term of the contract, as well as to prepaid expenses for annually recurring expenses, which are paid at the beginning of the calendar year and reversed proportionately thereafter.
- Current income tax receivables increased by €17.4 million to €44.5 million as of June 30, 2022 due primarily to recognition of repayment claims for paid withholding taxes as well as to excess tax prepayments in the USA.

Non-current assets increased by €594.6 million compared with December 31, 2021 amounting to €1,941.1 million as of June 30, 2022. The main cause for the rise was growth in intangible assets (less current amortization) and goodwill due to the StreamSets acquisition. These assets are also subject to exchange rate-related fluctuations. On a net basis, intangible assets increase €161.3 million and goodwill increased €445.2 million. Beyond that, the following material changes were reported:

- In total, property, plant and equipment as well as investment property only changed insignificantly compared with December 31, 2021. The net changes relate to ongoing amortization, replacement investments in connection with usual business operations and currency-related changes.
- Non-current other financial assets decreased by €5.7 million from €21.1 million at the end of 2021 to €15.4 million. This resulted primarily from the decrease in assets used to finance staff-related provisions and the value adjustment of an equity investment.
- Non-current trade receivables, contract assets and other receivables decreased by €4.3 million com-

pared with December 31, 2021 to €124.4 million as of June 30, 2022, due in particular to lower non-current contract assets associated with services not yet invoiced.

- Non-current other non-financial assets fell by €2.0 million from €9.1 million to €7.1 million mainly because of the decline in the non-current portion of deferred costs used for acquiring software customer contracts.

On the **liabilities** side, current debt increased by €6.5 million compared with December 31, 2021 to €497.4 million. This was due in particular to the following items:

- The €8.0 million increase in current financial liabilities from €84.9 million as of December 31, 2021 to €92.9 million as of June 30, 2022 resulted mainly from shifts in the maturity structure of debt financing as well as the remeasurement of hedging instruments in connection with share-based remuneration.
- Current trade and other payables were down by €4.5 million to 49.0 million as of June 30, 2022 due primarily to lower payments received on account of orders.
- Current other non-financial liabilities were €105.3 million compared with €137.9 million as of December 31, 2021. This decline totaling €32.6 million was due mainly to the customary seasonal disbursement of variable remuneration components from the previous year in the first half of 2022.
- Current other provisions decreased by €1.2 million to €42.7 million especially because of the utilization of staff-related provisions.
- Current income tax liabilities amounted to €26.1 million as of June 30, 2022 compared with €35.0 million as of December 31, 2021. This decrease of €8.9 million was due to the payment of tax liabilities.
- Due to the high proportion of maintenance business, current contract liabilities which include the volume of future maintenance revenue, grew to €181.4 million compared with €135.7 million as of December 31, 2021. This rise in the amount of €45.7 million resulted from the StreamSets acquisition, currency exchange effects, and this balance sheet item's development during the course of the year. Because existing perpetual customers that have not yet moved to subscription pay the

largest percentage of their annual maintenance fees in the first quarter, deferred income is typically highest at the end of the first quarter and decreases successively at the end of the second, third and fourth quarters.

Non-current liabilities rose by €345.0 million to €637.3 million as of June 30, 2022 due primarily to the following factors:

- Non-current financial liabilities increased by €315.9 million to €539.6 million mainly because of the issue of convertible bonds and the net incurrence of long-term debt capital.
- Non-current other provisions decreased by €2.3 million to €9.9 million especially because of the utilization of staff-related provisions.
- The €29.4 million rise in deferred tax liabilities from €6.4 million to €35.8 million was mainly attributable to the acquisition of StreamSets.

Software AG's **shareholders' equity** as of June 30, 2022 was €1,528.2 million compared with €1,438.2 million at the end of 2021, representing an increase of €90.0 million. In relation to total assets, the **equity ratio** decreased slightly to 57.4 percent compared with 64.7 percent on December 31, 2021. The decreased equity ratio was primarily due to the increase in assets and liabilities in connection with the StreamSets acquisition and the issue of convertible bonds.

EMPLOYEES

As of June 30, 2022, the Software AG Group employed 5,059 people (full-time equivalents, FTEs), compared to 4,819 as of December 31, 2021. This reflects a 5 percent increase in the number of employees Group-wide year-on-year. In the first half of the year, the Company (excl. StreamSets) recorded 370 new external hires.

To drive sustainable and profitable growth, Software AG continues to develop its corporate culture and invest in its employee value proposition. This includes innovative employee incentives to foster key competencies that benefit profitable growth. Furthermore, the Group supports a hybrid work model to recruit and retain talent. Office spaces in Singapore, Sofia, Düsseldorf, Derby, Bracknell and Paris were redesigned in the first half of 2022 to invite collaboration and innovation while encouraging flexible work schedules and locations as the new normal in the Group.

By functional area, the number of employees in Professional Services at the end of June 2022 saw a slight increase of 2 percent compared with the end of 2021 to reach 1,562 FTEs (Dec. 31, 2021: 1,526). The number of employees in R&D rose by 6 percent in the first six months of 2022 to 1,562 FTEs (Dec. 31, 2021: 1,477). In Sales and Marketing, the total number of employees grew by 9 percent to 1,166 FTEs (Dec. 31, 2021: 1,074).

Software AG's staff reflects the global focus of the Company. Employees were distributed by region as follows: As of June 30, 2022, the Software AG Group employed 1,367 people in Germany (Dec. 31, 2021: 1,385), 1,103 in India (Dec. 31, 2021: 1,097), and 775 in the USA (Dec. 31, 2021: 601). A total of 1,814 (Dec. 31, 2021: 1,736) people were employed in countries other than those mentioned above.

OPPORTUNITY AND RISK REPORT

Software AG's 2021 Annual Report contains a comprehensive Opportunity and Risk Report (see p. 149 et seq.), which describes specific risks that could have a negative impact on business and financial performance or assets and financial position. It also describes key opportunities for Software AG.

Strategic risk and opportunity management consists of a central interdisciplinary core team of directors from Corporate Finance, Internal Audit and Legal who report to the CFO in this function. A manager from the relevant field of expertise serves as risk advisor and is responsible for assessing, monitoring and managing identified strategic risks. The risk advisors are recommended by the core team and chosen by the responsible member of the Management Board. The risk advisors conduct biannual risk evaluations with the core team.

The following table shows relevant changes for any individual strategic risks for which the risk signal changed with respect to the 2021 Annual Report based on risk evaluations conducted in the first half of 2022:

| | 2021 Annual Report | | | 2022 Half-Year Report | | |
|--|--|---------------|-------------|------------------------------------|-------------|-------------|
| | Impact on EBIT in the next 3 years | Probability | Risk signal | Impact on EBIT in the next 3 years | Probability | Risk signal |
| Product innovation and portfolio | medium | unlikely | green | medium | likely | yellow |
| Ongoing development of IoT & Analytics | medium | likely | yellow | medium | unlikely | green |
| Market risks and opportunities: Adabas & Natural (A&N) | medium | unlikely | green | medium | likely | yellow |
| Sales efficiency and sales risks and opportunities | medium | unlikely | green | medium | likely | yellow |
| Data protection | low | highly likely | yellow | low | likely | green |
| Information security | medium | highly likely | red | medium | likely | yellow |
| Environment, social & governance (ESG) | First-time presented in the Opportunity and Risk Report of the 2022 Half-Year Report | | | low | likely | green |

Except for the ESG strategic risk, which was reported as part of strategic risk and opportunity management for the first time, all other changes in risk signals arose due to revised probability estimates by the risk advisors. There were no significant changes to the overall risk profile in the first half of 2022.

ESG

Since its foundation in 1969, Software AG has focused on value-oriented actions and social engagement. In light of growing global challenges, particularly in the area of climate protection, Software AG unveiled its new Group-wide sustainability strategy in fiscal year 2021 and made sustainability a strategic priority going forward. By joining the United Nations Global Compact (UNGC), the world's largest initiative for responsible and sustainable corporate governance, in the first half of 2022, Software AG made a clear commitment to responsible corporate governance.

Sustainability is at the core of Software AG's strategic orientation. The company's ambition is to play a leading role in the global search for technological solutions to the most pressing social and environmental challenges, and to support its customers and partners in their sustainability efforts. Software AG's management is convinced sustainability is a fundamental requirement for long-term business success.

The cornerstone of Software AG sustainability strategy is the Sustainability Roadmap 2025 published in the 2021 Annual Report and guiding Software AG on how to achieve its ambitions in five key action areas. In addition to anchoring ESG criteria in the area of corporate governance, Software AG aims to cultivate a respectful, transparent and inclusive corporate culture for its employees and, as an attractive employer, to always bring the best talent into the company. Software AG's technology solutions are designed to actively support customers in creating the prerequisites for sustainable business practices in their companies. And research projects are being conducted to develop technological solutions that positively impact society and the environment while contributing to the United Nations Sustainable Development Goals (UN SDGs). Regarding Software AG's impact on the environment, the company's global carbon footprint will be assessed in order to develop a reduction path towards net zero CO₂ emissions before the end of the current fiscal year.

Achieving its sustainability targets is essential for Software AG's success in positioning itself as an attractive employer and with customers and investors. These target groups increasingly link ESG criteria explicitly (e.g. for investing) or implicitly to a company's rating. If Software AG were not able to achieve some or all of its ESG targets, possible negative effects on Software AG would be the loss of or inability to attract employees and win customer contracts, increased costs of capital, a decrease in brand value and penalty fees for not meeting regulatory requirements.

The ESG risks were given a green risk signal as part of first-time evaluation.

The Russia-Ukraine conflict and COVID-19 pandemic

The 2021 Annual Report includes (please refer to p. 154) an assessment of the potential effects of the Russia-Ukraine conflict and of the COVID-19 pandemic on Software AG as a globally operating company. This assessment remains unchanged. In conjunction with other external factors, these circumstances have caused global inflation rates to rise, and they are expected to stay at a high level. That, combined with ongoing challenges in global supply chains, could lead to a localized or even global recession including the associated impact on major national economies' development and thus on Software AG.

OUTLOOK

Software AG revised its organic forecast from January 27, 2022 for the 2022 fiscal year on July 14, 2022. The adjustment only affected the Company's guidance for Digital Business organic bookings at constant currency. All other full-year 2022 guidance metrics remained unchanged. The Company's target range for Digital Business bookings growth is now between 12 and 18 percent (previously 15 to 25 percent) year-on-year. This was due to softer-than-expected Digital Business bookings in the second quarter as well as to early signs of prolonged customer decision-making in light of a changing macro environment. While the overall demand environment remains robust, the Group anticipates this change in decision-making behavior to extend into the second half of the year, increasing the possibility of delays in deal closings.

All other full-year 2022 guidance metrics remain unchanged, as do Software AG's organic ambitions for 2023: €1 billion in revenue; operating margin of 25 to 30 percent; 85 to 90 percent recurring product revenue; and Digital Business CAGR at roughly 15 percent.

On top of organic guidance for 2022, with the addition of StreamSets, the Group continues to expect full-year non-IFRS product revenue growth between 12 and 16 percent and an impact on non-IFRS EBITA between -€17 million and -€13 million.

Beyond the current year, Software AG expects the acquisition to contribute to its organic growth in 2023. With the addition of StreamSets to the organic business, the Group expects total revenue to be ahead of its €1 billion goal.

The full-year 2022 target ranges at constant currency (except margin) are as follows, excluding StreamSets:

- Digital Business bookings: +12 to +18 percent
- A&N bookings: 0 to +5 percent
- Product revenue: +7 to +11 percent
- Operating margin (EBITA, non-IFRS): 20 to 22 percent

With regard to IFRS net income, the Management Board currently anticipates an organic growth rate in the mid-single-digit range relative to one year ago.

Outlook for Fiscal Year 2022 (organic business)

| | FY 2021 in € millions | Outlook FY 2022 as of Jan. 27, 2022 as % | Revised FY 2022 outlook as of July 14, 2022 as % |
|---|--------------------------|--|--|
| Digital Business bookings | 406.0 | +15 to +25 ¹ | +12 to +18 ¹ |
| Adabas & Natural bookings | 111.7 | 0 to +5 ¹ | 0 to +5 ¹ (unchanged) |
| Total product revenue | 684.0 | +7 to +11 ¹ | +7 to +11 ¹ (unchanged) |
| Operating margin (EBITA, non-IFRS) ² | 19.6 | 20 to 22 | 20 to 22 (unchanged) |

¹ At constant currency.

² Before adjusting for non-operating factors (see non-IFRS earnings definition in the 2021 Annual Report from p. 77).

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

For the six months ended June 30, 2022 and 2021

| in € thousands | H1 2022 | H1 2021 |
|---|----------------|----------------|
| Licenses | 122,892 | 109,067 |
| Maintenance | 199,235 | 198,284 |
| Software as a Service (SaaS) | 32,444 | 20,010 |
| Services | 78,355 | 73,930 |
| Other | 12 | 3 |
| Total revenue | 432,938 | 401,294 |
| Cost of sales | -104,548 | -91,725 |
| Gross profit | 328,390 | 309,569 |
| Research and development expenses | -84,595 | -74,022 |
| Sales, marketing and distribution expenses | -153,472 | -127,296 |
| General and administrative expenses | -44,925 | -40,189 |
| Other income | 43,334 | 9,106 |
| Other expenses | -26,800 | -11,758 |
| Other taxes | -2,339 | -2,051 |
| Operating income | 59,593 | 63,359 |
| Financing income | 4,986 | 2,606 |
| Financing expenses | -10,347 | -3,295 |
| Net financial income/expenses | -5,361 | -689 |
| Earnings before income taxes | 54,232 | 62,670 |
| Income taxes | -18,814 | -19,281 |
| Net income | 35,418 | 43,389 |
| thereof attributable to shareholders of Software AG | 35,155 | 43,229 |
| thereof attributable to non-controlling interests | 263 | 160 |
| Earnings per share in € (basic) | 0.48 | 0.58 |
| Earnings per share in € (diluted) | 0.48 | 0.58 |
| 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 the six months ended June 30, 2022 and 2021

| in € thousands | H1 2022 | H1 2021 |
|--|----------------|---------------|
| Net income | 35,418 | 43,389 |
| Currency translation differences from foreign operations | 62,676 | 30,424 |
| Net gain/loss from cash flow hedges | 127 | 1,523 |
| Currency translation gain/loss from net investments in foreign operations | 15,711 | 0 |
| Items to be reclassified to the income statement if certain conditions are met | 78,514 | 31,947 |
| Net gain/loss from equity instruments designated to be measured at fair value through other comprehensive income | -950 | -44 |
| Net actuarial gain/loss on pension obligations | 538 | -1,490 |
| Items not to be reclassified to the income statement | -412 | -1,534 |
| Gain/loss recognized in equity | 78,102 | 30,413 |
| Total comprehensive income | 113,520 | 73,802 |
| thereof attributable to shareholders of Software AG | 113,257 | 73,642 |
| thereof attributable to non-controlling interests | 263 | 160 |

CONSOLIDATED BALANCE SHEET

As of June 30, 2022 and December 31, 2021

ASSETS

| in € thousands | June 30, 2022 | Dec. 31, 2021 |
|--|------------------|------------------|
| Current assets | | |
| Cash and cash equivalents | 387,740 | 585,844 |
| Other financial assets | 26,628 | 24,092 |
| Trade receivables, contract assets and other receivables | 217,252 | 198,466 |
| Other non-financial assets | 45,689 | 39,487 |
| Income tax receivables | 44,472 | 27,029 |
| | 721,781 | 874,918 |
| Non-current assets | | |
| Intangible assets | 248,775 | 87,466 |
| Goodwill | 1,431,329 | 986,136 |
| Property, plant and equipment | 77,153 | 76,877 |
| Investment property | 6,119 | 6,241 |
| Other financial assets | 15,366 | 21,115 |
| Trade receivables, contract assets and other receivables | 124,403 | 128,732 |
| Other non-financial assets | 7,114 | 9,113 |
| Income tax receivables | 15,143 | 14,225 |
| Deferred tax receivables | 15,713 | 16,567 |
| | 1,941,115 | 1,346,472 |
| Total Assets | 2,662,896 | 2,221,390 |

As of June 30, 2022 and December 31, 2021

EQUITY AND LIABILITIES

| in € thousands | June 30, 2022 | Dec. 31, 2021 |
|--|------------------|------------------|
| Current liabilities | | |
| Financial liabilities | 92,880 | 84,866 |
| Trade and other payables | 49,003 | 53,548 |
| Other non-financial liabilities | 105,303 | 137,888 |
| Other provisions | 42,731 | 43,924 |
| Income tax liabilities | 26,053 | 34,980 |
| Contract liabilities | 181,447 | 135,675 |
| | 497,417 | 490,881 |
| Non-current liabilities | | |
| Financial liabilities | 539,622 | 223,767 |
| Trade and other payables | 228 | 212 |
| Other non-financial liabilities | 1,779 | 1,564 |
| Other provisions | 9,861 | 12,124 |
| Provisions for pensions and similar obligations | 34,270 | 35,042 |
| Income tax liabilities | 1,776 | 1,629 |
| Deferred tax liabilities | 35,750 | 6,397 |
| Contract liabilities | 14,001 | 11,560 |
| | 637,287 | 292,295 |
| Equity | | |
| Share capital | 74,000 | 74,000 |
| Capital reserves | 55,737 | 22,580 |
| Retained earnings | 1,348,305 | 1,369,375 |
| Other reserves | 50,304 | -27,798 |
| Treasury shares | -757 | -757 |
| Attributable to shareholders of Software AG | 1,527,589 | 1,437,400 |
| Non-controlling interests | 603 | 814 |
| | 1,528,192 | 1,438,214 |
| Total Equity and Liabilities | 2,662,896 | 2,221,390 |

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended June 30, 2022 and 2021

| in € thousands | H1 2022 | H1 2021 |
|---|-----------------|----------------|
| Net income | 35,418 | 43,389 |
| Income taxes | 18,814 | 19,281 |
| Net financial income/expenses | 5,361 | 689 |
| Amortization/depreciation of non-current assets | 24,412 | 20,370 |
| Other non-cash income/expenses | -296 | -198 |
| Changes in receivables and other assets | -23,879 | 17,337 |
| Changes in payables and other liabilities | -6,311 | -11,634 |
| Income taxes paid | -39,109 | -17,761 |
| Interest paid | -7,317 | -3,694 |
| Interest received | 5,009 | 2,676 |
| Net cash flow from operating activities | 12,102 | 70,455 |
| Proceeds from the sale of property, plant and equipment/intangible assets | 607 | 120 |
| Purchase of property, plant and equipment/intangible assets | -6,407 | -2,330 |
| Proceeds from the sale of non-current financial assets | 3,616 | 118 |
| Purchase of non-current financial assets | -2,011 | -3,432 |
| Proceeds from the sale of current financial assets | 67 | 8,698 |
| Purchase of current financial assets | -1,777 | -17,857 |
| Proceeds/payments from disposals of assets held for sale | 0 | 2,132 |
| Payments for acquisitions, net | -537,317 | 0 |
| Net cash flow from investing activities | -543,222 | -12,551 |

For the six months ended June 30, 2022 and 2021

| in € thousands | H1 2022 | H1 2021 |
|---|-----------------|----------------|
| Dividends paid | -56,699 | -56,629 |
| Proceeds/payments for current financial liabilities | 69,185 | -5,987 |
| Repayment of lease liabilities | -5,267 | -6,699 |
| New non-current financial liabilities | 364,300 | 60,000 |
| Repayment of non-current financial liabilities | -75,000 | -3 |
| Net cash flow from financing activities | 296,519 | -9,318 |
| Change in cash and cash equivalents | -234,601 | 48,586 |
| Change in cash and cash equivalents from currency translation | 36,497 | 13,700 |
| Net change in cash and cash equivalents | -198,104 | 62,286 |
| Cash and cash equivalents at beginning of period | 585,844 | 479,982 |
| Cash and cash equivalents at end of period | 387,740 | 542,268 |
| Free cash flow | 2,640 | 58,232 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2022 and 2021

| in € thousands | Common shares outstanding (no.) | Subscribed capital | Capital reserves | Retained earnings |
|-----------------------------------|--|--------------------|------------------|-------------------|
| Equity as of Jan. 1, 2021 | 73,979,889 | 74,000 | 22,580 | 1,341,738 |
| Total comprehensive income | | | | 43,229 |
| Transactions with shareholders | | | | |
| Dividend payment | | | | -56,225 |
| Transactions between shareholders | | | | |
| Equity as of June 30, 2021 | 73,979,889 | 74,000 | 22,580 | 1,328,742 |
| Equity as of Jan. 1, 2022 | 73,979,889 | 74,000 | 22,580 | 1,369,375 |
| Total comprehensive income | | | | 35,155 |
| Transactions with shareholders | | | | |
| Dividend payment | | | | -56,225 |
| Issue of convertible bonds | | | 33,157 | |
| Transactions between shareholders | | | | |
| Equity as of June 30, 2022 | 73,979,889 | 74,000 | 55,737 | 1,348,305 |

| 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 | Net actuarial gain/loss on pension 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 | |
| 30,424 | 1,479 | -1,490 | 0 | | 73,642 | 160 | 73,802 | |
| | | | | | | | | |
| | | | | | -56,225 | -404 | -56,629 | |
| | | | | | 0 | | 0 | |
| -42,971 | -6,861 | -52,451 | 6,924 | -757 | 1,329,206 | 492 | 1,329,698 | |
| | | | | | | | | |
| 10,252 | -7,898 | -37,076 | 6,924 | -757 | 1,437,400 | 814 | 1,438,214 | |
| 62,676 | -823 | 538 | 15,711 | | 113,257 | 263 | 113,520 | |
| | | | | | | | | |
| | | | | | -56,225 | -474 | -56,699 | |
| | | | | | 33,157 | | 33,157 | |
| | | | | | 0 | | 0 | |
| 72,928 | -8,721 | -36,538 | 22,635 | -757 | 1,527,589 | 603 | 1,528,192 | |

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

GENERAL

[1] BASIS OF PRESENTATION

Software AG's condensed and unaudited consolidated interim financial statements as of June 30, 2022 were prepared in accordance with the reporting standards of the International Accounting Standards Board (IASB) and the International Financial Reporting Standards (IFRS), as applicable in the European Union (EU). The IFRS applicable as of June 30, 2022 were observed, as were the corresponding interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

Software AG is a registered stock corporation under German law with registered offices in Darmstadt. It is the principal parent company of a Group that is globally active in the fields of software development, licensing and maintenance as well as IT services. The functional currency of Software AG is the euro. The consolidated interim financial statements of Software AG are expressed in thousands of euros unless otherwise stated.

[2] ACCOUNTING POLICIES

The same accounting policies were applied to the consolidated interim financial statements as were applicable to the consolidated financial statements as of December 31, 2021. For more details on accounting policies, please refer to Note 2 on pp. 188-197 of the consolidated financial statements for fiscal 2021. These consolidated interim financial statements were prepared in accordance with IAS 34: Interim Financial Reporting.

[3] SCOPE OF CONSOLIDATION

Changes in the consolidated Group

The following changes occurred in the consolidated Group in the first six months of the 2022 fiscal year.

| | Germany | Foreign | Total |
|-------------------------------|---------|---------|-------|
| January 1, 2022 | 9 | 64 | 73 |
| Additions | 0 | 3 | 3 |
| Disposals (including mergers) | 0 | -3 | -3 |
| June 30, 2022 | 9 | 64 | 73 |

The disposals in the first six months of the 2022 fiscal year resulted from the merger of two companies in the USA and the closure of two companies in Norway and the USA. The additions resulted from the acquisition of StreamSets. (For more information, please refer to the section on the business combination.)

Business combination

Acquisition of StreamSets

On April 18, 2022, Software AG acquired 100 percent of the shares in StreamSets, Inc. (StreamSets), a fast-growing provider of B2B software solutions for data integration, to expand the existing product portfolio especially in hybrid integration. StreamSets' operating results as well as assets and liabilities are reflected in Software AG's consolidated interim financial statements beginning on that date.

The following table shows the preliminary purchase price allocation as of the acquisition date:

| in € thousands | 2021 |
|--|----------------|
| Consideration transferred | 553,532 |
| Cash | 16,215 |
| Intangible assets | 164,726 |
| Deferred tax receivables | 22,838 |
| Other identifiable assets ¹ | 6,958 |
| Total identifiable assets | 210,737 |
| Contract liabilities | 8,046 |
| Deferred tax liabilities | 46,205 |
| Other identifiable liabilities | 3,431 |
| Total liabilities assumed | 57,682 |
| Net assets | 153,055 |
| = Goodwill | 400,477 |

¹ Including acquired receivables at an estimated fair value of €3,827 thousand (consistent with gross contractual amounts receivable).

Initial accounting for the business combination was incomplete as of June 30, 2022 because Software AG was still obtaining and evaluating the information necessary to identify and measure items such as StreamSets' tax-related assets and liabilities, as well as intangible assets. Accordingly, the amounts recognized in these consolidated interim financial statements are provisional.

Goodwill arising from the StreamSets acquisition is not deductible for tax purposes and consists largely of the acquired workforce's know-how and technical skills as well as the expected synergies, e.g., from the realization of cross-selling opportunities, the development and commercialization of combined software products, and economies of scale.

Software AG intends to allocate goodwill arising from the acquisition of StreamSets to the Digital Business segment. For more information on Software AG's segments, please refer to Note 4.

Impact of the business combination on the consolidated interim financial statements

The amounts of revenue and net income for the StreamSets business (including subsequent accounting for adjustments from the purchase price allocation as well as from income taxes) included in the consolidated income statements for the reporting period since the acquisition date are as follows:

| in € thousands | H1 2022 as reported | StreamSets contribution |
|----------------|---------------------|-------------------------|
| Revenue | 432,938 | 6,976 |
| Net income | 35,418 | -10,184 |

Had StreamSets been consolidated as of January 1, 2022, Software AG's estimated revenue for the reporting period would have been €439,136 thousand and estimated net income would have been €18,066 thousand. These amounts were calculated after applying Software AG's accounting policies and adjusting the results of StreamSets to reflect significant effects from, for example:

- Additional amortization that would have been charged assuming the fair value adjustment to intangible assets had been applied from January 1, 2022
- The impact of fair value adjustments on deferred revenue on a cumulative basis
- The borrowing costs on the funding levels and debt/equity position of Software AG after the business combination
- Employee benefits
- Transaction costs incurred as part of the acquisition
- Related tax effects

These figures were prepared for comparative purposes only. The figures for revenue and net income are not necessarily indicative of the results of operations that would have actually occurred had the acquisition been in effect at the beginning of the respective period or of future results.

[4] SEGMENT REPORTING

Notes on segment reporting

Segmentation is in accordance with the internal control of the Group. Internal control focuses primarily on product revenue at constant currency for the two product segments. Margins and earnings are controlled largely at Group level. Of considerably less importance are the segments' contributions and earnings at secondary level of control. Software AG reports on the following three segments:

- Digital Business (integration, business process management and big data with the Alfabet, ARIS, Cumulocity IoT, TrendMiner, StreamSets, and web-Methods) product families
- Adabas & Natural (A&N: data management with the Adabas & Natural and CONNX product families)
- Professional Services (implementation of solutions in cooperation with customers and partners)

The segment contribution does not include the amortization expense associated with the purchase of intangible assets through acquisitions. These charges are therefore shown separately under reconciliation.

SEGMENT REPORT

For the six months ended June 30, 2022 and 2021

| in € thousands | Digital Business | | | Adabas & Natural (A&N) | | |
|--|------------------|------------------|----------------|------------------------|------------------|----------------|
| | H1 2022 | H1 2022 | H1 2021 | H1 2022 | H1 2022 | H1 2021 |
| | IFRS | acc ¹ | IFRS | IFRS | acc ¹ | IFRS |
| Subscription licenses | 66,429 | 64,108 | 51,964 | 24,928 | 23,617 | 28,510 |
| Subscription maintenance | 37,988 | 36,222 | 23,115 | 9,131 | 8,721 | 4,457 |
| Perpetual maintenance | 91,112 | 86,353 | 106,525 | 61,004 | 57,167 | 64,187 |
| Software as a Service (SaaS) | 32,444 | 30,974 | 20,008 | 0 | 0 | 2 |
| Recurring revenue | 227,973 | 217,657 | 201,612 | 95,063 | 89,505 | 97,156 |
| Perpetual licenses | 18,786 | 18,147 | 11,048 | 12,749 | 11,655 | 17,545 |
| Product revenue | 246,759 | 235,804 | 212,660 | 107,812 | 101,160 | 114,701 |
| Services | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 12 | 12 | 0 | 0 | 0 | 0 |
| Total revenue | 246,771 | 235,816 | 212,660 | 107,812 | 101,160 | 114,701 |
| Cost of sales | -34,064 | -30,228 | -28,677 | -3,870 | 1,094 | -4,339 |
| Gross profit | 212,707 | 205,588 | 183,983 | 103,942 | 102,254 | 110,362 |
| Sales, marketing and distribution expenses | -126,259 | -120,117 | -102,888 | -16,070 | -15,102 | -15,186 |
| Segment contribution | 86,448 | 85,471 | 81,095 | 87,872 | 87,152 | 95,176 |
| Research and development expenses | -68,394 | -66,209 | -58,411 | -16,201 | -16,188 | -15,611 |
| Segment earnings | 18,054 | 19,262 | 22,684 | 71,671 | 70,964 | 79,565 |
| General and administrative expenses | | | | | | |
| Other income | | | | | | |
| Other expenses | | | | | | |
| Other taxes | | | | | | |
| Operating income | | | | | | |
| Financing income | | | | | | |
| Financing expenses | | | | | | |
| Net financial income/expenses | | | | | | |
| Earnings before income taxes | | | | | | |
| Income taxes | | | | | | |
| Net income | | | | | | |

¹ At constant currency.

This presentation corresponds with internal control and reporting lines (management approach). The majority of sales and marketing expenses are classified based on revenue percentage. A focus on absolute earnings contributions therefore only makes sense in certain scenarios given the interdependency between the two product segments. Research and development

expenses are assigned to the segments based on expense components directly attributable to the R&D department as well as the overhead coded to R&D. They have no direct impact on internal control.

The table below shows the segment data for the first half of 2022:

| | Professional Services | | | Reconciliation | | Total | | |
|--|-----------------------|------------------|---------------|----------------|---------------|----------------|------------------|----------------|
| | H1 2022 | H1 2022 | H1 2021 | H1 2022 | H1 2021 | H1 2022 | H1 2022 | H1 2021 |
| | IFRS | acc ¹ | IFRS | IFRS | IFRS | IFRS | acc ¹ | IFRS |
| | 0 | 0 | 0 | 0 | 0 | 91,357 | 87,725 | 80,474 |
| | 0 | 0 | 0 | 0 | 0 | 47,119 | 44,943 | 27,572 |
| | 0 | 0 | 0 | 0 | 0 | 152,116 | 143,520 | 170,712 |
| | 0 | 0 | 0 | 0 | 0 | 32,444 | 30,974 | 20,010 |
| | 0 | 0 | 0 | 0 | 0 | 323,036 | 307,162 | 298,768 |
| | 0 | 0 | 0 | 0 | 0 | 31,535 | 29,802 | 28,593 |
| | 0 | 0 | 0 | 0 | 0 | 354,571 | 336,964 | 327,361 |
| | 78,355 | 74,050 | 73,930 | 0 | 0 | 78,355 | 74,050 | 73,930 |
| | 0 | 0 | 3 | 0 | 0 | 12 | 12 | 3 |
| | 78,355 | 74,050 | 73,933 | 0 | 0 | 432,938 | 411,026 | 401,294 |
| | -58,222 | -54,992 | -53,706 | -8,392 | -5,003 | -104,548 | | -91,725 |
| | 20,133 | 19,058 | 20,227 | -8,392 | -5,003 | 328,390 | | 309,569 |
| | -6,494 | -6,193 | -6,332 | -4,649 | -2,890 | -153,472 | | -127,296 |
| | 13,639 | 12,865 | 13,895 | -13,041 | -7,893 | 174,918 | | 182,273 |
| | 0 | 0 | 0 | 0 | 0 | -84,595 | | -74,022 |
| | 13,639 | 12,865 | 13,895 | -13,041 | -7,893 | 90,323 | | 108,251 |
| | | | | | | -44,925 | | -40,189 |
| | | | | | | 43,334 | | 9,106 |
| | | | | | | -26,800 | | -11,758 |
| | | | | | | -2,339 | | -2,051 |
| | | | | | | 59,593 | | 63,359 |
| | | | | | | 4,986 | | 2,606 |
| | | | | | | -10,347 | | -3,295 |
| | | | | | | -5,361 | | -689 |
| | | | | | | 54,232 | | 62,670 |
| | | | | | | -18,814 | | -19,281 |
| | | | | | | 35,418 | | 43,389 |

NOTES TO THE CONSOLIDATED BALANCE SHEET

[5] GOODWILL

Goodwill amounted to €1,431,329 thousand as of June 30, 2022, an increase of €445,193 thousand compared to December 31, 2021. Of the rise in goodwill, €400,477 thousand resulted from the acquisition of StreamSets (for more information, refer to Note 3) and €44,716 thousand from currency translation gains.

[6] EQUITY

Share capital

Software AG's share capital totaled €74,000 thousand (Dec. 31, 2021: €74,000 thousand) as of June 30, 2022. Software AG's share capital is divided into 74,000,000 (Dec. 31, 2021: 74,000,000) registered shares. Each share entitles its holder to one vote.

Dividend

Pursuant to the proposal of the Management Board and the Supervisory Board, the Annual Shareholders' Meeting resolved on May 17, 2022 to appropriate €56,225 thousand (2021: €56,224 thousand) for a dividend payout from the net retained profits of €65,452 thousand reported by Software AG, the controlling Group company, in 2021. This corresponded to a dividend of €0.76 (2021: €0.76) per share. A total amount of €9,227 thousand (2021: €57,540 thousand) was carried forward.

Acquisition of treasury shares

As of June 30, 2022, Software AG held 20,111 (Dec. 31, 2021: 20,111) treasury shares representing an interest of €20,111 (Dec. 31, 2021: €20,111) or 0.03 percent (Dec. 31, 2021: 0.03 percent) of the share capital.

Pursuant to the Annual Shareholders' Meeting resolution from May 12, 2021, the Company is authorized until May 11, 2026 to purchase Software AG shares totaling a maximum of 10 percent of the share capital at the time of the resolution. The shares purchased, together with other treasury shares that the Company has already purchased and still holds or that are attributable to it in accordance with sections 71d and 71e of the German Stock Corporation Act, may not account for more than 10 percent of the respective share capital at any time.

Software AG did not acquire treasury shares in the first half of 2022 or the first half of 2021 nor did the balance of treasury shares change.

Convertible bonds

Software AG issued subordinated unsecured convertible bonds with a total nominal value of €344,300 thousand in the first half of 2022 (February 15, 2022). The convertible bonds have a coupon rate of 2 percent p.a., an initial conversion price of €46.54, and a five-year term to maturity (February 2027). The initial conversion price would change if Software AG were to approve and disburse dividends above the reference dividend price of €0.76 before the convertible bonds reached maturity.

The convertible bonds were measured at fair value and, in accordance with the reporting requirements for compound financial instruments, divided into a debt component (non-current financial liability) and an equity component (capital reserves). The transaction costs were divided proportionately between these two components. Those that are attributed to the debt component will be recognized as interest expenses using the effective interest rate over the term of the convertible bonds. Those that were attributed to the equity component were deducted from equity.

The following table shows the distribution of proceeds from the issuance of the convertible bonds and the division between the debt and equity components:

| in € thousands | | Debt component | Equity component |
|-------------------|---------|----------------|------------------|
| Gross proceeds | 344,300 | 310,475 | 33,825 |
| Transaction costs | 6,800 | 6,132 | 668 |
| Net proceeds | 337,500 | 304,343 | 33,157 |

OTHER DISCLOSURES

[7] SEASONAL INFLUENCES

Revenues and pre-tax earnings were distributed over fiscal 2021 as follows:

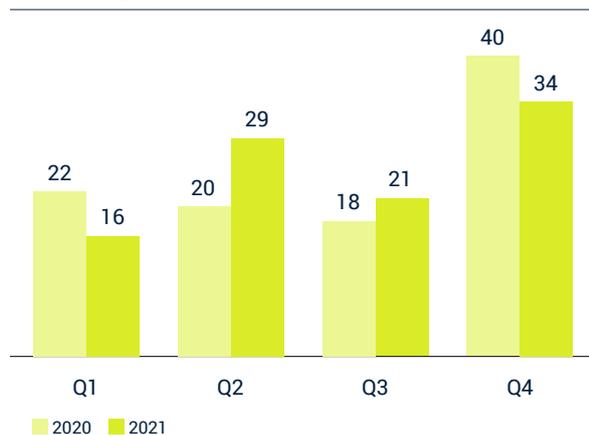
| in € thousands | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | 2021 |
|--------------------------------------|---------|---------|---------|---------|---------|
| License revenue | 38,467 | 70,600 | 50,743 | 80,694 | 240,504 |
| as % of license revenue for the year | 16 | 29 | 21 | 34 | 100 |
| Total revenue | 183,106 | 218,188 | 197,962 | 234,586 | 833,842 |
| as % of revenue for the year | 22 | 26 | 24 | 28 | 100 |
| Earnings before taxes | 13,986 | 48,684 | 23,290 | 31,833 | 117,793 |
| as % of earnings for the year | 12 | 41 | 20 | 27 | 100 |

Based on historical data, the revenue and earnings distribution from 2021 is not fully representative. The distribution of revenue and earnings is regularly affected by large individual deals and is thus difficult to predict.

The following graph illustrates the development of license revenues in 2021 and 2020:

License revenues in 2021 and 2020

as % of total annual license revenue



[8] LITIGATION

The risk assessment for the litigation and legal risks presented in the 2021 Annual Report on p. 236 et seq. has been updated as well as the recognition of provisions on the basis of a new calculation of the probable actual resource outflow. Software AG is not aware of any significant new legal disputes or legal risks.

Provisions for litigation totaled €13,172 thousand (Dec. 31, 2021: €13,189 thousand) as of June 30, 2022.

In addition, contingent liabilities in the amount of €38.226 thousand as of June 30, 2022 (Dec. 31, 2021: €37,028 thousand) existed. But since a resource outflow was not sufficiently likely as of the balance sheet date, no provisions were set up. Of the contingent liabilities, €34,584 thousand (Dec. 31, 2021: €28,664 thousand) relate to tax risks and the remainder concerns other individual legal matters.

[9] SHARE-BASED REMUNERATION

Software AG has various stock option plans for members of the Management Board, managers and other Group employees. All plans as of June 30, 2022 are described in detail in Note 37 on pp. 237-243 of Software AG's 2021 Annual Report.

Share-based remuneration resulted in a total expense of €5,566 thousand (H1 2021: €3,804 thousand) in the first half of 2022.

The rights granted under the Long-Term Incentive Plan and the management incentive plans in previous years changed as follows in the first six months of the 2022 fiscal year:

Long-Term Incentive Plan 2021

| | |
|------------------------------------|----------------|
| Balance as of Dec. 31, 2021 | 394,975 |
| Granted | 0 |
| Exercised | 0 |
| Expired | 0 |
| Balance as of June 30, 2022 | 394,975 |

Management Incentive Plan 2021

| | |
|------------------------------------|----------------|
| Balance as of Dec. 31, 2021 | 223,185 |
| Granted | 0 |
| Exercised | 0 |
| Expired | -26,021 |
| Balance as of June 30, 2022 | 197,183 |

Management Incentive Plan 2020

| | |
|------------------------------------|----------------|
| Balance as of Dec. 31, 2021 | 547,155 |
| Granted | 0 |
| Exercised | 0 |
| Expired | -35,143 |
| Balance as of June 30, 2022 | 512,012 |

Management Incentive Plan 2019

| | |
|------------------------------------|----------------|
| Balance as of Dec. 31, 2021 | 238,734 |
| Granted | 0 |
| Exercised | -46,704 |
| Expired | -5,870 |
| Balance as of June 30, 2022 | 186,160 |

[10] EMPLOYEES

In the first half of 2022, the average number of employees (part-time employees are counted on a pro rata basis only) by area of activity was as follows:

| | June 30, 2022 (including StreamSets) | June 30, 2022 (excluding StreamSets) | June 30, 2021 |
|-----------------------------|--|--|---------------|
| Maintenance and Services | 1,539 | 1,522 | 1,496 |
| Sales and Marketing | 1,113 | 1,069 | 1,033 |
| R&D | 1,519 | 1,479 | 1,478 |
| Administration | 759 | 750 | 675 |
| | 4,930 | 4,820 | 4,682 |

In absolute terms (part-time employees are counted in full), the Group employed 5,238 (5,016 excluding StreamSets; 2021: 4,879) people as of June 30, 2022.

[11] CHANGES AND INFORMATION REGARDING CORPORATE BODIES

At the Supervisory Board meeting on December 13, 2021, the chair of the Supervisory Board, Karl-Heinz Streibich, and the chair of the Audit Committee, Ralf Dieter, submitted their resignations from their positions, effective at the end of January 31, 2022. Markus Ziener ended his term as of the conclusion of the Annual Shareholders' Meeting on May 17, 2022. The Darmstadt District Court appointed Christian Yannick Lucas as member of the Supervisory Board by a resolution from January 2022, which went into effect on February 3, 2022. Based on the Supervisory Board resolution, he accepted the chair of the Supervisory Board. The Darmstadt District Court appointed Oliver Collmann as member of the Supervisory Board at the end of March 2022. On May 17, 2022, the Annual Shareholders' Meeting confirmed Christian Yannick Lucas and Oliver Collmann as members of the Supervisory Board and James M. Whitehurst as member of the Supervisory Board to go into effect as of January 1, 2023.

Software AG announced on July 15, 2022 that Joshua Husk would join the Management Board as Chief Revenue Officer (CRO). Dr. Benno Quade was also appointed to the Management Board as Chief Operating Officer (COO). Software AG thus expanded its Man-

agement Board to six seats. The new members' terms began on August 1, 2022.

No further changes occurred on the Management Board or Supervisory Board between January 1, 2022 and June 30, 2022.

[12] RELATED PARTY TRANSACTIONS

On December 13, 2021, Software AG entered into a framework agreement regarding a strategic partnership with certain affiliates of Silver Lake Partners VI Cayman, L.P. and Silver Lake Alpine II, L.P. (these entities together with their affiliates, "Silver Lake"). In January 2022, the Darmstadt District Court appointed Christian Yannick Lucas, Managing Director at Silver Lake and co-head of the firm's activities in Europe, as member of the Supervisory Board, which went into effect on February 3, 2022. On May 17, 2022, the Annual Shareholders' Meeting confirmed Christian Yannick Lucas as member of the Supervisory Board.

As stipulated in the agreement with Silver Lake, Software AG issued subordinated unsecured convertible bonds to Silver Lake with a total nominal value of €344.3 million. The convertible bonds have a coupon rate of 2 percent p.a., an initial conversion price of €46.54, and a five-year term to maturity (February 2027). The initial conversion price would change if Software AG were to approve and disburse dividends above the reference dividend price of €0.76 before the convertible bonds reach maturity.

Under the agreement with Silver Lake, Software AG reimbursed Silver Lake for €1.5 million transaction costs incurred in connection with the issuance of the convertible bonds. Additionally, Silver Lake provides certain management advisory services to Software AG at no cost for Software AG other than the reimbursement of out-of-pocket expenses.

[13] EVENTS AFTER THE BALANCE SHEET DATE

The new members of the Management Board, Joshua Husk and Dr. Benno Quade, began their terms on August 1, 2022. (For more information, please refer to Changes and Information Regarding Corporate Bodies, Note 11.)

There were no further events that occurred between June 30, 2022 and the release date that were of significance to the consolidated interim financial statements.

Date and authorization for issue

Software AG's Management Board approved the consolidated interim financial statements on August 11, 2022.

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. The consolidated interim Manage-

ment Report includes a fair review of the development and performance of the business and the position of the Company and Group, together with a description of the principal opportunities and risks associated with the expected development of the Company and Group.

Darmstadt, August 11, 2022
Software AG



S. Brahmawar



Dr. E. Frank



Dr. M. Heiden



J. Husk



Dr. B. Quade



Dr. S. Sigg

ADDITIONAL INFORMATION

DISCLAIMER

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ABOUT SOFTWARE AG

Software AG simplifies the connected world. Founded in 1969, it helps deliver the experiences that employees, partners and customers now expect. Its technology creates the digital backbone that integrates applications, devices, data and clouds; empowers streamlined processes; and connects “things” like sensors, devices

and machines. It helps 10,000+ organizations to become a truly connected enterprise and make smarter decisions, faster. The Group has more than 5,000 employees across more than 70 countries and annual revenue of over €830 million. Its ambition is to exceed €1 billion in organic revenue in 2023.

FINANCIAL CALENDAR

For the latest information on events and roadshows, please visit:
[SoftwareAG.com/financialcalendar](https://www.softwareag.com/financialcalendar).

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