

Interim Statement on the 3rd Quarter and First 9 Months of 2025



reporting

**DEAR SHAREHOLDERS, EMPLOYEES,
PARTNERS AND FRIENDS OF SOFTING,**

Allow me to briefly explain the figures representing Softing's business performance in the last nine months.

After several quarters of steady declines in incoming orders, we are very pleased to report a positive trend for the second time in a row. Incoming orders jumped by a double-digit 14% year-on-year, boosted primarily by our Industrial segment. While incoming orders continue to grow steadily, consolidated revenue still did not meet our expectations during this period.

Industrial automation continues to suffer from a strong reluctance to invest in the short term. After making a very strong start to the quarter in July, Industrial Automation saw a delay in product call-offs shift revenue to the end of the year and into the next. This explains why this segment is simultaneously seeing growth in incoming orders while still falling short of expectations in terms of revenue. We expect the main effects from the increase

in incoming orders to be felt from the first quarter of 2026, with our subsidiary Delta Logic, which we acquired only this year, providing key momentum for future revenue growth.

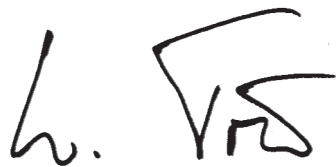
Driven by long-term investment decisions, the product business of our Automotive segment continued its excellent performance. We were able to defy the automotive crisis and boost revenue by around 30% in this segment. Due to project-related factors, we expect a slight decline in revenue over the next two quarters, which should be offset in 2026 by a significant increase in the proportion of software license income, enhancing earnings quality.

Business in the IT Networks segment remained broadly unchanged year-on-year during the first nine months but has seen a significant upturn in the last two months. This applies in particular to business North America, which was disappointing in the first half of the year but is now recording strong growth and revenue.

We have successfully addressed this year's challenges by implementing a combination of strict cost-cutting measures and targeted sales initiatives. These are highly volatile economic and political times, and 2025 is not a year for reaping rewards. Rather, it is a year of planting seeds and building foundations, in which we are strategically and operationally seizing the opportunities available in this environment to position ourselves for success in the years to come.

We cordially invite you to continue accompanying us on this journey!

Sincerely yours,

A handwritten signature in black ink, consisting of a stylized 'W' followed by a series of loops and a final flourish.

Dr. Wolfgang Trier
(Chief Executive Officer)

Interim statement on the 3rd quarter/first 9 months of 2025

STATEMENT ON NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

Although consolidated revenue in the first nine months of this year showed a slight drop of around 5% compared to the previous year, there are clear signs of a medium-term recovery for Softing. Incoming orders jumped by a double-digit 14% year-on-year, with significant revenue expected from this to materialize in 2026. This is also driving the level of orders on hand, which has been declining during the reporting period, with the primary boost coming from Industrial Automation.

Contrary to our hopes at mid-year, the short-term situation in the industrial environment continued to be dominated by significant investment restraint in the third quarter. Our competitors in the industrial sector recorded year-on-year revenue declines of between 15% and 20%. We expect business to improve in the fourth quarter of 2025, initially at a moderate pace. Delta Logic is performing very well since we acquired it in April, with the integration of products, the leveraging of Softing's global distribution network and adjustments to the licensing system presenting considerable earnings potential for the coming year.

We are seeing a clearly positive shift in sentiment in North America, where our most important industrial automation customers have become much more optimistic about the next six months despite the political uncertainty in this market. Business in South America, which is dominated by raw material extraction, has also brightened considerably. If this trend proves sustainable, we expect revenue in the Industrial segment in EMEA and North Ame-

rica to improve markedly in 2026. Based on existing projects and current inquiries, we anticipate double-digit revenue growth in the Americas.

The Automotive segment is experiencing growth, defying the wider industry trend due to long-term investment projects launched by renowned manufacturers. In addition to strong revenue performance in the first nine months of the year, we are also seeing profitable business opportunities for 2026. We are significantly expanding software solutions within our existing product mix. The much smaller engineering services business for automotive manufacturers has been under pressure due to the industry's crisis, contracting as a result. From a strategic perspective, we are diversifying our customer portfolio by adding customers outside the car manufacturing sector. We are currently running various preliminary projects that, if successful, will secure a profitable utilization of the Automotive segment for many years to come.

Performance in the IT Networks segment in the first nine months of the year improved markedly in EMEA, whereas business in North America during the first half of the year was sluggish before turning a corner in the current quarter. Both incoming orders and revenue in North America are showing a highly positive trend, raising hopes for a sustainable turnaround. We continue to invest heavily in our sales channels in the EMEA region, creating incentives to buy by introducing new product features. All key revenue drivers in IT Networks' product portfolio have been equipped with new functions this year that offer significantly enhanced customer benefits.

Revenue at Group level totaled EUR 66.3 million in the first nine months of this year, down 5.0% compared with the same period of the previous year. In Europe, this was primarily due to the weak economic environment in our main markets of mechanical engineering and IT infrastructure. Incoming orders rose from EUR 48.8 million to EUR 55.7 million during the period under review whereas completed deliveries caused the volume of open orders to decrease for now from EUR 25.7 million to EUR 17.5 million. We expect the level of open orders to pick up again in the fourth quarter.

Inventory expenses edged up from EUR 26.0 million in the previous year to EUR 26.1 million. The cost of materials ratio rose from 37.3% to 39.4%. The Group's cost discipline is reflected in personnel expenses, which we reduced considerably by 9.1%, including by adopting a cautious approach to lowering staffing levels.

Industrial, Softing's most important segment, saw revenue drop by around 23% year-on-year, from EUR 46.4 million to EUR 35.7 million, reflecting the weak economy in Germany and large parts of Europe. Revenue in North America has mostly been flat and is only now showing signs of growth again. As a result, EBIT fell from EUR 2.0 million to EUR -0.7 million, while operating EBIT dropped from EUR 2.9 million to EUR 0.4 million. While we expect individual transactions with significant revenue and earnings impact in the EMEA region and the US in the final quarter to provide a boost to full-year EBIT, there is still some uncertainty as to whether these transactions will be completed by customers in the fourth quarter of 2025 or over the course of 2026.

The traditional business in the Automotive segment shows a clearly positive trend in revenue. Bucking the dramatic sense of crisis prevailing in the automotive industry, revenue jumped by an impressive 30% from EUR 18.7 million to EUR 24.3 million. Business at our subsidiary GlobalmatIX continued to remain sluggish and remained unsatisfactory in the first nine months of the year. EBIT in the Automotive segment surged by EUR 2.3 million to EUR 1.2 million after EUR -1.1 million in the previous year. Operating EBIT in the Automotive segment even improved by EUR 4.1 million to EUR 2.2 million. We initiated a number of preliminary projects in 2025 that, if successful, will secure a profitable utilization of the Automotive segment over the coming years.

The IT Networks segment continued to be affected by weak construction activity in almost all markets, particularly in EMEA. Revenue rose by 5% from EUR 5.2 million to EUR 5.4 million. EBIT at EUR -2.3 million and operating EBIT at EUR -1.7 million were up slightly from EUR -2.7 million and EUR -2.1 million, respectively, in the previous year. This situation is expected to improve markedly in the final three months of the year given that the fourth quarter is usually the strongest of the year, even though we still anticipate negative EBIT in this segment for full-year 2025.

The Group's EBITDA fell from EUR 5.0 million to EUR 3.6 million in the first nine months of 2025, with the EBITDA margin coming in at 5.4% after 7.2% in the first nine months of the previous year.

Operating EBIT (EBIT adjusted for capitalized development services and amortization on these as well as effects from purchase price allocation), the Group's main performance indicator, was EUR 0.4 million in the first nine months of 2025 after EUR –0.3 million in the previous year.

EBIT fell from EUR –1.7 million to EUR –3.2 million due to a significantly lower level of own work capitalized, resulting in lower depreciation and amortization that will have a noticeably positive effect in subsequent quarters.

At EUR 3.2 million, the consolidated loss is still up slightly from EUR 2.8 million in the third quarter of 2024. Earnings per share after the first nine months of 2025 were almost unchanged from the previous year at EUR –0.32.

The Group had cash of EUR 5.9 million as of September 30, 2025. Cash flow from operating activities after nine months totaled EUR 1.5 million after EUR 3.5 million in the previous year. Capital expenditure on property, plant and equipment only concerned replacements. Please refer to the Research and Product Development section for information on investments in products. Cash flow from financing activities in the amount of EUR –5.4 million was driven by the repayment of bank loans of EUR 3.6 million.

Overall, this translates into a slightly lower equity ratio of 49.1% as of September 30, 2025 (49.5% as of December 31, 2024).

RESEARCH AND PRODUCT DEVELOPMENT

In the first nine months of 2025, Softing capitalized internal expenses of EUR 1.1 million (after EUR 3.3 million in the previous year) for the development of new products and the enhancement of existing ones. Further development services for product maintenance were expensed.

EMPLOYEES

As of September 30, 2025, the Softing Group had 404 employees (previous year: 442). No stock options were issued to employees in the reporting period.

SUBDUED INDUSTRIAL ECONOMIC DEVELOPMENT AND RECESSION SCENARIO

The persistently sluggish economy in Germany and Europe is having a negative impact on Softing's business performance. The manifest recession in Germany, impacted by mostly anti-industry policies in addition to global challenges, is weighing on Softing's business success. Inflation in 2025 remains stable at over 2%, is significantly lower than in previous years, and according to institutions such as the ECB, World Bank and ifo Institute is expected to hover around the 2% level, thereby reducing the ECB's leeway for implementing interest rate cuts to stimulate the economy. The "autumn of reforms" announced by the German government still shows no signs of triggering economic recovery in Germany. Institutions such as the ECB, World Bank and Ifo Institute predict the economy to recover slightly in 2026. Softing views these forecasts as a positive sign for its business performance in 2026.

In risk management terms, this means that Softing is continuing to implement measures aimed at improving profitability – first and foremost a continuation of its strict cost management policies. In spite of the steps taken, the risks cannot be controlled completely. We also expect increased marketing activities aimed at generating higher revenue in previously underdeveloped regions to be successful. These products and a stronger regional focus are the backbone of business in the Industrial segment and could stabilize its revenue position in 2026.

Geopolitical uncertainty caused by Russia's ongoing war of aggression, mixed signals from the US economy and erratic tariff policies, remains a source of concern.

The Group continues to take the issue of cyber security and the potential widening of hostilities in this area extremely seriously. The current recommendations of the authorities are being reviewed and implemented taking into account the situation at Softing. Softing is in the process of liaising with other companies to determine its own position. Softing is investing substantial sums in cyber security and provides its staff with regular training on the subject. As no company is immune from a cyber attack, it is essential to ensure that resilience and recoverability are built into IT systems and that all employees remain vigilant.

Hopes of an immediate and substantial improvement in the overall economic situation in the second half of the year have not yet materialized.

While offering certain opportunities, the market environment is expected to remain challenging. For information on other risks and opportunities, we refer to the Group Management Report in the 2024 Annual Report, page 20 et seq.

NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS:

As of September 30, 2025, the Softing Group had cash of EUR 5.9 million, current receivables and contract assets of EUR 14.6 million, and agreed but not yet drawn down credit lines of around EUR 7.2 million at its disposal. This means that the Group has up to EUR 27.7 million in near cash funds available at short notice.

Softing fully complied with all bank covenants during the reporting period and maintains routine contact with the banks, which continue to provide fully constructive support.

Softing closely monitors its receivables management, and, with one exception, no deterioration in customer payment behavior has been observed so far. This is also due to the fact that most of Softing's customers are large international corporations with sufficient funds.

With no improvement yet in economic conditions in Germany and Europe in the third quarter and progress only beginning to materialize in North America, we currently forecast annual revenue of around EUR 90 million, operating EBIT in the range of EUR 1.0 to 1.5 million, and EBIT between EUR –1.5 million and EUR –2.5 million.

EVENTS AFTER THE REPORTING PERIOD

There were no events of special importance after the reporting date of September 30, 2025.

GENERAL ACCOUNTING POLICIES

The consolidated financial statements of Softing AG as of December 31, 2024 were prepared in accordance with the International Financial Reporting Standards (IFRSs) based on the guidance of the International Accounting Standards Board (IASB) applicable at the reporting date. The interim management statement as of September 30, 2025, which was prepared on the basis of International Accounting Standard (IAS) 34 „Interim Financial Reporting“, does not contain all of the required information in accordance with the requirements for the presentation of the annual report and should be read in conjunction with the consolidated financial statements of Softing AG as of December 31, 2024. In general, the same accounting

policies were applied in the interim management statement as of September 30, 2025 as in the consolidated financial statements for the 2024 financial year. This interim management statement as of September 30, 2025 was prepared without an auditor's review.

CHANGES IN THE BASIS OF CONSOLIDATION

The changes in the basis of consolidation up to June 30, 2025 are described in detail in the half-yearly report. Due to improved knowledge, the purchase price of Softing Italia s.r.l. was subsequently reduced by EUR 0.4 million in the third quarter of 2025. Softing Industrial Automation s.r.l., Merano (Italy), was founded in July 2025 as a wholly owned subsidiary of Softing Industrial Automation GmbH, Haar (Germany). This entity only provides technical sales support for the products of Softing Industrial Automation GmbH in Italy and has no business operations of its own.

KEY FIGURES FOR THE 3RD QUARTER OF 2025

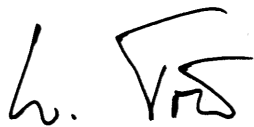
All figures in EUR million	Quarterly management statement 3/2025	Quarterly management statement 3/2024
Incoming orders	55.7	48.8
Orders on hand	17.5	25.7
Revenue	66.3	69.8
EBITDA (IFRS)	3.6	5.0
EBIT (IFRS)	−3.2	−1.7
EBIT (operating)	0.4	−0.3
Profit for the period (IFRS)	−3.2	−2.8
Earnings per share in EUR (IFRS)	−0.32	−0.31

RESPONSIBILITY STATEMENT

The condensed interim management statement for the first nine months of 2025 was released for publication on November 12, 2025 by resolution of the Executive Board.

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Company, together with a description of the material opportunities and risks associated with the expected development of the Company.

Haar, Germany, November 12, 2025
Softing AG



Dr. Wolfgang Trier
Chief Executive Officer



Ernst Homolka
Executive Board member

Consolidated Income Statement and Consolidated Statement of Comprehensive Income

from January 1 to September 30, 2025

EUR thousand	1/1/ – 9/30/2025	1/1/ – 9/30/2024	7/1/ – 9/30/2025	7/1/ – 9/30/2024
Revenue	66,289	69,794	22,383	22,505
Other own work capitalized	1,119	3,267	327	424
Other operating income	801	901	–383	105
Operating income	68,209	73,961	22,327	23,034
Cost of materials / cost of purchased services	–26,092	–26,033	–8,705	–7,964
Staff costs	–29,315	–32,239	–9,608	–10,513
Depreciation, amortization and impairment of property, plant and equipment, right-of-use assets and intangible assets	–6,810	–6,613	–2,502	–2,388
thereof depreciation due to purchase price allocation	–1,397	–1,247	–485	–413
thereof depreciation due to lease accounting	–1,231	–1,262	–408	–416
Other operating expenses	–9,205	–10,736	–2,974	–3,455
Operating expenses	–71,422	–75,621	–23,789	–24,320
Profit / loss from operations (EBIT)	–3,213	–1,659	–1,462	–1,282
Interest income	1	26	0	9
Interest expense	–531	–489	–161	–167
Interest expense from lease accounting	–193	–208	–60	–72
Other finance income/finance costs	10	0	0	0
Earnings before income taxes	–3,925	–2,330	–1,683	–1,511
Income taxes	711	–499	374	47
Consolidated profit	–3,214	–2,830	–1,309	–1,464
Consolidated profit attributable to:				
Shareholders of Softing AG	–2,893	–2,717	–1,225	–1,516
Non-controlling interests	–321	–113	–84	52
Consolidated profit	–3,214	–2,830	–1,309	–1,464
Earnings per share (basic = diluted)	–0.32	–0.31	–0.15	–0.16
Average number of shares outstanding (basic)	9,925,881	9,015,381	9,015,381	9,015,381
Consolidated profit	–3,214	–2,830	–1,309	–1,464
Items that will be reclassified to consolidated profit or loss:				
Currency translation differences				
Changes in unrealized gains/losses	–4,793	–516	–74	–1,759
Total currency translation differences	–4,793	–516	–74	–1,759
Other comprehensive income	–4,793	–516	–74	–1,759
Total consolidated comprehensive income for the period	–8,007	–3,346	–1,383	–3,223
Total consolidated comprehensive income for the period attributable to:				
Owners of the parent	–7,686	–3,233	–1,299	–3,275
Minority interests	–321	–113	–84	52
Total consolidated comprehensive income for the period	–8,007	–3,346	–1,383	–3,223

Consolidated Statement of Cash Flows

from January 1 to September 30, 2025

EUR thousand	1/1/2025 - 9/30/2025	1/1/2024 - 9/30/2024
Cash flows from operating activities		
Profit (before tax)	-3,925	-2,330
Depreciation and amortization of fixed assets	6,810	6,613
Other non-cash transactions (Currency translation differences)	-2,131	-181
Cash flows for the period	754	4,102
Interest income / Finance income	-1	-26
Interest expense / Finance costs	370	489
Change in other provisions and accrued liabilities	-7	-40
Change in inventories	3,355	-2,747
Change in trade receivables	443	-741
Change in financial receivables and other assets	3,198	-1,420
Change in trade payables	-4,746	3,474
Change in financial and non-financial liabilities and other liabilities	1,902	610
Cash received from the sale of subsidiaries	-3,182	0
Interest received / Finance income	1	26
Income taxes received	0	232
Income taxes paid	-580	-469
Cash flow from operating activities	1,507	3,490
Cash paid for investments in new internal product developments	-1,119	-3,267
Cash paid for investments in new external product developments	0	0
Cash paid for investments in other intangible assets Cash paid for investments in non-current assets	-6	-5
Cash received from the sale of subsidiaries	3,182	0
Cash repayment for the acquisition of subsidiaries	-470	0
Cash paid for investments in non-current assets	-1,216	-631
Cash flow from investing activities	371	-3,903
Cash paid for dividends	0	-1,210
Cash received from the sale of treasury shares	0	445
Repayment of lease liabilities	-1,169	-1,133
Cash received from long-term loans	0	6,000
Cash received from short-term bank line	1,000	1,000
Cash repayment of bank loans	-4,625	-3,496
Interest from lease accounting	-193	-208
Other interest paid	-370	-489
Total interest paid	-563	-697
Cash flow from financing activities	-5,357	909
Net change in cash funds	-3,479	496
Effects of exchange rate changes on cash funds	130	-15
Cash funds at beginning of period	9,271	4,859
Cash funds at end of period	5,922	5,340

Consolidated Statement of Assets, Equity and Liabilities

as of September 30, 2025 and December 31, 2024

Assets

EUR thousand	9/30/2025	12/31/2024
Non-current assets		
Goodwill	10,516	11,428
Other intangible assets	31,462	34,754
Property, plant and equipment	8,719	9,944
Deferred tax assets	1,550	718
Non-current assets, total	52,247	56,845
Current assets		
Inventories	23,379	26,734
Trade receivables	12,806	13,249
Current financial assets	364	244
Contract assets	1,776	883
Current income tax assets	140	240
Cash and cash equivalents	5,922	9,271
Current non-financial assets	2,812	7,420
Current assets, total	47,199	58,041
Total assets	99,445	114,886

Equity and liabilities

EUR thousand	9/30/2025	12/31/2024
Equity		
Subscribed capital	9,926	9,926
Capital reserves	34,065	34,065
Retained earnings	4,274	11,961
Equity attributable to shareholders of Softing AG	48,265	55,951
Non-controlling interests	584	905
Equity, total	48,849	56,856
Non-current liabilities		
Pensions	1,299	1,299
Long-term borrowings	4,956	7,056
Other non-current financial liabilities	10,079	10,804
Deferred tax liabilities	5,164	5,289
Non-current liabilities, total	21,498	24,448
Current liabilities		
Trade payables	8,722	13,470
Contract liabilities	6,120	4,863
Provisions	100	107
Income tax liabilities	784	458
Short-term borrowings	7,826	9,351
Other current financial liabilities	4,893	4,339
Current non-financial liabilities	653	995
Current liabilities, total	29,098	33,581
Total equity and liabilities	99,445	114,886

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