HALF-YEAR FINANCIAL REPORT
2021

SNP | The Data Transformation Company

KEY FIGURES
as of June 30, 2021

in € million	1st half-year 2021	1st half-year 2020	2nd quarter 2021	2nd quarter 2020
Order entry	91.9	92.8	39.4	45.2
Revenue	75.7	68.7	42.6	34.3
EBITDA	2.9	-0.8	3.8	1.2
EBIT	-1.1	-4.7	1.7	-0.8
Consolidated income	-2.1	-4.2	0.4	-0.9
Earnings per share (in €)	-0.27	-0.62	0.08	-0.10
Operating cash flow	-12.9	-1.8		
Cash and cash equivalents	27.7	22.7		
Employees as of June 30	1,576	1,449		

CONTENT

LETTER OF THE CEO

Dear shareholders,

Dear friends of the company,

Our results for the first six months of the year demonstrate that our company is in good shape in spite of the ongoing pressures of the coronavirus. This is documented by our current order situation as well as our revenue and earnings trends:

- The **Group-wide order entry** of around € 93 million in the first half of 2021 was almost in line with the previous year's level. The Software business segment accounts for over a third of this.
- In the first six months of the year, **Group revenue** increased by 10% on the previous year to approx. € 76 million.
- The trend for **operating earnings** is also clearly positive, both year-over-year and over the course of the current year, even though this value is still negative at € -1.1 million.

Buoyed by an attractive pipeline, our results for the first six months of the year confirm our goal of achieving our growth targets for the year as a whole.

Our growth plans are based especially on our partner strategy, through which we intend to significantly expand our overall revenue volume by increasing our software revenue. It is not just for this reason that we are currently extending our software portfolio to include Datavard AG's technological solutions. We acquired Datavard because the two portfolios complement each other perfectly in both the software and the consulting business segments. To date, Datavard and SNP have been partners as well as competitors; in the future, we will operate as one company on the market.

We are funding roughly two thirds of this acquisition with our existing liquidity. We will cover an additional third through a capital increase against a contribution in kind. The roughly 173,000 SNP shares newly created will be issued to Gregor Stöckler, CEO of Datavard AG, as well as two other Datavard co-founders. These new shares are subject to a three-year lock-up period. In addition, Gregor Stöckler is to become SNP's new COO as well as a Managing Director.

Besides the fact that our software is increasingly gaining strategic recognition from customers and partners, dynamic market growth is a key factor in SNP's corporate success. We are firmly convinced that the effects of the coronavirus pandemic will strengthen the megatrend of the digitalization of entire business models. Every international business with a group structure and SAP systems will sooner or later be faced with the issues of SAP S/4HANA, the move to the cloud and/or M&A activities. The effects of the coronavirus pandemic are serving as a catalyst here, which will result in a significant increase in the number of projects associated with data transformations.

In the area of **S/4HANA,** the time window continues to close, even if the end of maintenance for old SAP systems in 2027 still appears to be far off. Many businesses are aware that waiting is not an option, since these projects are generally more complex and time-intensive than originally expected. Additional changes are frequently necessary, such as acquisitions and sales and the integration of other companies.

The pandemic has made the need to emphasize software platforms within the scope of the digitalization process even clearer. Customers initially postponed S/4HANA transitions in some cases, so as to adapt their business models to the challenges presented by the pandemic. Unlike in the pre-pandemic age, many large corporations have already made the necessary preparations and have launched concrete implementation projects. We expect this trend to strengthen considerably in the second half of the year and beyond.

In the **M&A market** we assume that, following some initial restraint, volumes will pick up significantly as the pandemic wanes. Many companies are working on a changeover or adjustment of their business model in line with the current trends and requirements in their industry.

While Europe – and Germany especially – was long characterized by a cautious attitude to transferring IT systems to the **cloud**, this trend is now reversing. We are witnessing a very high level of customer interest in moving their systems to the cloud; the key factors here are, in particular, reducing costs and risks, increasing scalability and the market readiness of hyperscaler offerings.

Together with world-leading hyperscalers such as Microsoft, Google or Amazon Web Services, we are working on joint solution components in order to achieve an accelerated and cost-efficient transfer of customers' SAP workloads to the cloud.

All in all, these trends confirm our strategy and our goal of fundamentally changing the IT consulting market through the increasing use of software-supported data transformation in the SAP environment. With this, we want to develop our approach to become the industry standard.

In order to realize this goal, we have defined an agenda which we are consistently pursuing:

- At our **management level**, we have a new Board of Directors which has a strong balance of different areas of expertise and intends to successfully lead SNP into its new growth phase.

- At the **technological level**, we are currently adding a value calculator to our CrystalBridge data transformation platform. This means that in the future, we will be able to demonstrate even more effectively to our customers and partners the financial benefits of using SNP software for their transformation projects. It provides decision-makers with a very direct picture of the benefits and savings associated with reducing project terms and risks and implementing individual projects alongside one another, for instance.

- We have also made further progress at the **level of our partnerships**: A new partnership with the auditing company PwC and enhanced cooperation with the All for One Group demonstrate that the ongoing development of our partner strategy is paying off, and this is reflected in our order entry volume and pipeline as well as joint opportunities.

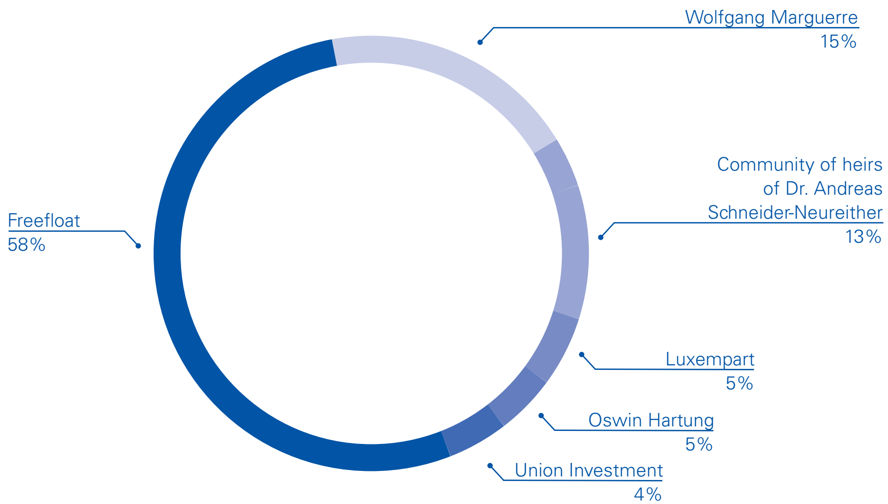
With our recent successes, we see ourselves as well placed to achieve the growth targets which we have set ourselves. With our highly motivated employees, our satisfied customers and our well-known partners, we are confident of our ability to lead SNP to further success. I would like to thank all of our stakeholders and shareholders for the trust they have placed in us. We will continue to do everything we can to earn your trust.

Michael Eberhardt, CEO

The Management Board of SNP SE (from left to right):
Michael Eberhardt (CEO), Gregor Stöckler (COO) and Prof. Dr. Heiner Diefenbach (CFO).

SNP IN THE CAPITAL MARKETS

SHAREHOLDERS STRUCTURE



END OF THE SHARE BUYBACK PROGRAM

In August 2019, a share buyback program was resolved that began on September 1, 2019, and was to end no later than May 11, 2021. During this period, treasury shares with a value of up to € 32 million (excluding incidental purchase costs), but no more than 638,362 shares, were to be repurchased via the stock market.

Corresponding to the term, the share buyback program expired in May, 2021. A total of 90,820 shares were purchased at an average price of € 49.30 for a total volume of € 4.5 million; this means that holdings of treasury shares currently total 112,702 shares. Please see the following link for further details of specific transactions:
https://www.snpgroup.com/en/stock-information

KEY SHARE DATA

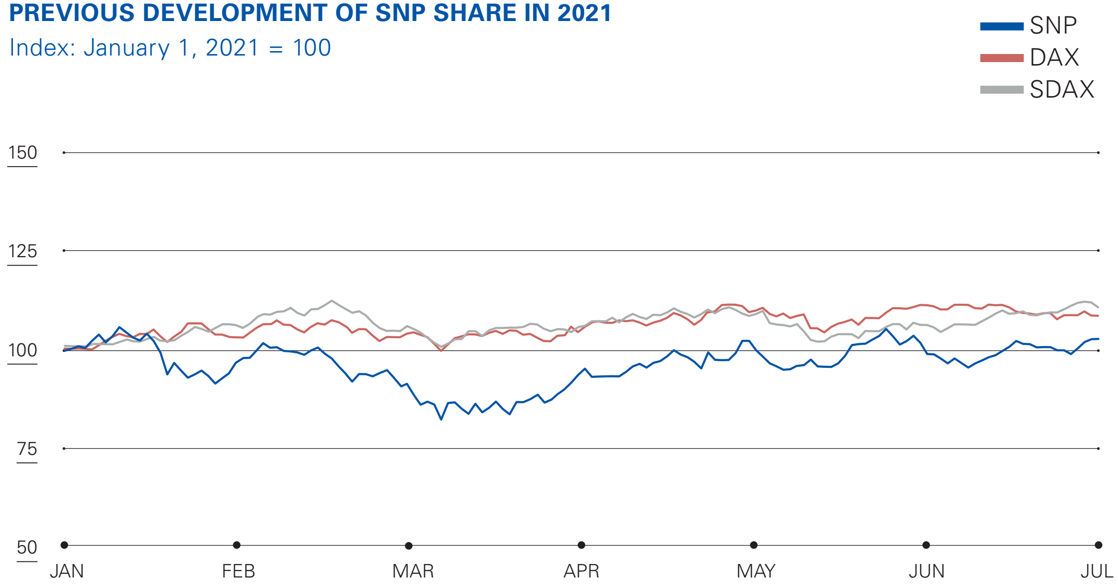
Security identification number	720 370
Symbol	SHF
Market segment	Prime Standard
Class	No-par-value shares
Shares as of June 30, 2021	7,212,447 (share capital: 7,212,447 €)
Indices	CDAX, DAXsector All Software, DAXsubsector All IT-Services, Prime All-Share, Prime Standard Index

SHARE PERFORMANCE INDICATORS

		2021	2020
Earnings per share as of June 30	€	-0.27	-0.62
Market capitalization as of June 30	€ mn	449	305
Price as of June 30	€	62.30	46.20
High price in first half of the year	€	64.40	73.30
Low price in first half of the year	€	49.85	35.55

PREVIOUS DEVELOPMENT OF SNP SHARE IN 2021

Index: January 1, 2021 = 100



Further information on the SNP share can be found at
https://www.snpgroup.com/en/stock-information

Further information on investor relations can be found at
https://www.snpgroup.com/en/investor-relations

FINANCIAL CALENDAR

Q3 2021	October 28, 2021

CAPITAL INCREASE THROUGH CONTRIBUTATIONS IN KIND

SNP SE signed an agreement to acquire 100% of the shares in Datavard AG on July 28, 2021. At the same time, the Board of Directors has decided to finance part of the purchase price by means of a capital increase through contributions in kind. As consideration for the acquisition of all shares in Datavard AG, a cash component of around € 20 million and the issue of 173,333 new shares via a capital increase through contributions in kind are planned. The new shares will be issued to the management of Datavard AG. The shares issued will be subject to a 36-month lock-up period. The capital increase and the contribution will become effective upon registration of the capital increase and its entry in the commercial register of the company.

ANALYSTS

- Berenberg
- Bankhaus Metzler
- Stifel
- M.M. Warburg

INTERIM GROUP MANAGEMENT REPORT OF SNP SCHNEIDER-NEUREITHER & PARTNER SE FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2021

SNP – THE DATA TRANSFORMATION COMPANY

SNP assists companies around the world in implementing complex transformation projects and helps them to complete these projects safely and cost-effectively. SNP's software and services simplify the organizational and technical transformation of business applications by means of automation and thus enable companies to keep pace with the rapidly evolving digital environment. SNP has developed its BLUEFIELD™ transformation approach and its unique CrystalBridge data transformation platform on the strength of its experience gained from a multitude of projects. These innovative solutions enable IT landscapes to be restructured and modernized in a significantly faster and more targeted manner, and data can be securely migrated to new systems or cloud environments. This provides customers with clear qualitative benefits, while significantly reducing their investment of time and expense.

SNP serves multinational companies in every sector. SNP was founded in 1994 and has been publicly traded since 2000. As of August 2014, the company is listed on the Prime Standard segment of the Frankfurt Stock Exchange (ISIN DE0007203705). Since 2017, the company has operated as a European stock corporation (Societas Europaea/SE).

The Challenge for Modern Companies: IT Agility

Agile and flexible IT landscapes are increasingly becoming a decisive factor for entrepreneurial success. The modernization required of IT systems is forcing companies to invest in unifying their heterogeneous and complex IT infrastructures. Change is an ongoing management responsibility, and the ability to change is a core competency of successful companies. We see our task as building and sustaining an IT landscape that helps create value. At the core of our work is a cross-industry software standard that supports and promotes permanent change on an ongoing and reliable basis.

IT Transformations and Their Impact on ERP Systems

From an economic perspective, transformation projects are among the most critical, complex and expensive projects that can affect the organization of companies and their business processes. At the same time, almost all companies in all sectors are forced to make these changes in order to keep pace with the digitalization trend. The change and adaptation of enterprise resource planning (ERP) systems is the SNP Group's principal activity.

An ERP system handles the administration of corporate resources and business processes. SAP, Oracle and Microsoft are among the most significant providers of such ERP systems. These are complex programs which are often heavily modified to accommodate their users. They combine essential and sensitive parts of a company, such as procurement, logistics, accounting and human resources administration.

The primary task of ERP transformations is to model data completely and correctly – including the data's history – in a new IT system, to integrate data into this environment or to extract data from it. The data being worked with frequently involves critical business transactions or highly sensitive data, for example from the area of financial accounting or personnel systems. As a result, the loss of such data could have serious consequences for the entire company. With its integrated range of software products and software-related consulting services, the SNP Group has created fitting solutions that optimally support companies in managing their IT transformations.

IT landscapes that can be easily adapted to reflect technological change are increasingly becoming key factors in our customers' success. Our software and services allow our customers to modernize their outdated and heterogeneous IT landscape and to transition to a homogenized IT landscape.

Catalyst of Business Transformations

Business transformations include corporate mergers, acquisitions, spin-offs, carve-outs and sales. IT transformations include consolidations, combinations, data alignment and upgrades, e.g. SAP S/4HANA. Moreover, many ERP landscapes have increased in complexity over time so that enhancements or changes to existing ERP systems are no longer sufficient. Instead, ERP landscapes must be completely redesigned.

The Standardized Software Approach of SNP: Quick, Flexible, Efficient and Safe

In the course of a transformation project, large amounts of data must be analyzed and processed. The length of time that a transformation takes may have an impact on a company's success. Critical factors include the seamless integration of legacy data into the new layout and the minimization of system downtimes during the transformation. In the traditional approach to data transfers, manual processes play an important role, resulting in significant personnel costs. We take a different software-based approach that allows our partners and us to automate significant steps in the transformation process while preserving a company's legacy data. The products and services provided by the SNP Group help companies adapt their IT landscape to changes quickly and flexibly, ensuring efficiency in terms of both time and money.

For further information on the SNP portfolio, please refer to pages 35 et seq. of the 2020 Annual Report.

ECONOMIC REPORT

Global Economic Development

Following a pandemic-related -3.3% decline in global economic output in 2020, the experts at the International Monetary Fund (IMF) predict a global growth rate of 6% for 2021; growth is then expected to weaken to 4.4% in 2022. The decrease in 2020 was thus 1.1 percentage points lower than had been assumed in October 2020. The IMF attributes this to the better than expected growth figures in the second half of the year. It has also raised its projections for 2021 and 2022 by 0.8 percentage points and 0.2 percentage points, respectively, on account of the additional fiscal support provided in several major economies as well as the expected vaccine-driven recovery in the second half of the year.[1]

However, the global economic outlook remains highly uncertain even after a year of the COVID-19 pandemic. New virus mutations and the growing number of deaths are cause for concern, even if sentiment is improving as the number of vaccinations increases.

IT Transformation Market

Consulting Sector in Strong Position

Following a second coronavirus-related economic downswing at the end of 2020, the German consulting sector is now once again in good shape. The industry survey by the Federal Association of German Management Consultants (BDU) confirms that the management consultancy sector had a good start in 2021, with a slight increase in the business climate index to 110.2 in the second quarter of 2021 (March 2021: 109.9). The IT consultancy sector in particular is booming. More than two thirds of the firms in this consulting field report a strong business position in excess of their planned budgets. On the other hand, firms in the reorganization consulting field have a significantly more subdued view of their current situation: In the BDU's survey, only one in five management consulting firms focusing on the restructuring segment reported a strong current business situation. However, 70% were at any rate satisfied. At the same time, consultants' work practices are expected to undergo a number of changes in the post-coronavirus era. For instance, the participants in this study expect that virtual contract award processes will mean greater competition in the consulting industry, since each project will attract an increased number of bids from management consulting firms. Moreover, nearly 80% of consulting firms intend to significantly reduce their volume of business trips and their overall CO_2 footprint on grounds of sustainability.[2]

[1] International Monetary Fund (IMF), World Economic Outlook, April 2021.
[2] Federal Association of German Management Consultants (BDU), Press Release on the Business Climate in the Consulting Sector – June 2021 (https://www.bdu.de/media/355750/geschaeftsklima_juni-2021_final.pdf).

Global M&A Activities at Record Level in the First Quarter of 2021

The market for mergers & acquisitions, one of the key factors driving IT data transformations, remains capital-intensive despite the social and economic upheaval caused by COVID-19: According to Mergermarket, a provider of M&A data and information, the volume of mergers and acquisitions comprising entire companies or parts of companies reached a global transaction volume of USD 1,162 billion in the first quarter of 2021. The first quarter of 2021 thus even surpassed the years 2018 and 2019 and represents the strongest start to a year ever seen. Huge deal volumes, but a smaller overall number of deals resulted in a deal volume of approximately USD 519 million based on 2,243 reported deals. This is the highest average deal volume since 2006.[3]

In the second half of 2020, the volume of mergers and acquisitions of entire companies or parts of companies worldwide already reached a record level: Mergermarket estimates a USD 2,192 billion overall volume of global M&A activities.[4]

[3] Mergermarket – An Acuris Company, Global & Regional M&A Report 1Q 2021.
[4] Mergermarket – An Acuris Company, Global & Regional M&A Report 2020.

SIGNIFICANT EVENTS IN THE FIRST HALF OF 2021

Portfolio Expansion Through Acquisition of Software Specialist EXA AG

On February 25, 2021, SNP SE acquired 74.9% of the shares in EXA AG for € 10.5 million. The purchase price installment was paid with liquid assets in March 2021. The remaining 25.1% of EXA shares are retained by Divya Vir Rastogi, CEO and co-founder of EXA, with a put option from 2024 and a call option from 2025. EXA AG was founded in 2012 and currently employs approximately 140 people – around 30 in Germany and approximately 110 in India. Control was transferred with effect from March 1, 2021. EXA is a leading provider of transformation solutions in the area of financial management with a focus on the topics of operational transfer pricing and the global value chain. The SNP Group expects the strategic expansion of its portfolio to produce considerable synergies in go-to-market strategies and product development, which will have a positive impact on its performance. Furthermore, this acquisition will increase the proportion of recurring revenues within the SNP Group.

Finance Agreement with the European Investment Bank

In February 2021, SNP SE signed a finance agreement with the European Investment Bank in the amount of € 20 million. The loan has a term of five years and bears interest at a fixed rate of 1.101% per annum.

Annual General Meeting Elects New Board of Directors

SNP SE's Annual General Meeting, which took place on June 17, 2021, as a virtual annual general meeting, elected all five candidates for the new Board of Directors with very large majorities. At its constituent meeting immediately after the shareholders' meeting, the Board of Directors appointed Prof. Dr. Claus E. Heinrich as its new Chairman.

On April 16, 2021, the then Chairman of the Board of Directors, Dr. Michael Drill, and two other members of the company's Board of Directors declared that they intended to step down from their positions prior to the end of their terms of office. Dr. Michael Drill and Rainer Zinow vacated their positions following the end of the Annual General Meeting on June 17, 2021; Gerhard Burkhardt stepped down from his position with immediate effect.

As well as the election of the Board of Directors, the Managing Directors and the outgoing Board of Directors were likewise granted discharge with very large majorities. In addition, the Annual General Meeting approved the modified remuneration systems for the Managing Directors and the Board of Directors as well as the creation of a new contingent capital. The creation of a new authorized capital was the sole item on the agenda which failed to achieve the necessary majority.

Establishment of an Audit Committee

The Board of Directors established an audit committee at its first meeting on June 17, 2021. One of this committee's core duties is monitoring and reviewing the company's accounting system. In addition, among other tasks, it will examine the effectiveness of the company's internal control system and its risk management system as well as auditing. The audit committee consists of Prof. Dr. Christoph Hütten, Sebastian Reppegather and Richard Roy; Prof. Dr. Christoph Hütten is the chairman of the committee as an independent member.

SNP and All for One Expand Partnership

In June 2021, SNP SE expanded its partnership with All for One Group SE following a very successful start. Their agreement comprises a volume of additional software licenses in the mid-single-digit million range, and the partnership will target the larger SME segment. With the additional SNP software which it has purchased, All for One intends to also enable companies with 1,000 or more SAP users to implement a rapid and secure changeover to SAP S/4HANA in the future. As well as expanding its target group, it will also increase its range of services and now also handle M&A projects. As with the initial partnership agreement, SNP's CrystalBridge® software and selective data migration (the BLUEFIELD™ approach) will both be used for transformation projects. The agreement continues to have a term of eight years.

SNP SE had already signed a long-term partnership agreement with the All for One Group in June 2020. The goal of this agreement was to enable the All for One Group's more than 2,500 customers to achieve a highly automated and flexible transition to SAP S/4HANA.

FINANCIAL POSITION AND FINANCIAL PERFORMANCE

Revenue Performance

In the first half of the year, SNP's Group revenue increased by 10.2% year-over-year to € 75.7 million (H1 2020: € 68.7 million). With 24.3% revenue growth in the first six months of 2021 to € 23.6 million (H1 2020: € 19.0 million), the Software business segment was a main growth driver. Revenue in the Services business segment likewise increased: Service revenue amounted to € 52.1 million in the first half of 2021 (H1 2020: € 49.7 million). This represents a growth rate of 4.8%.

The acquisition of EXA AG contributed € 3.6 million to overall revenue in the first half of 2021. Adjusted for this effect, Group revenue increased by € 3.4 million, or approximately 5%. EXA AG was initially consolidated as of March 1, 2021.

OVERALL REVENUE

in € million	2021	2020	Δ
H1	**75.7**	**68.7**	**+10%**
Services	52.1	49.7	+5%
Software	23.6	19.0	+24%
Q2	**42.6**	**34.3**	**+24 %**
Services	28.7	24.4	+18%
Software	13.9	9.9	+40%

Revenue Distribution by Region

Group revenue developed positively worldwide in the first half of 2021, with the exception of the UKI and USA regions. Revenue in the CEU region largely matched the Group revenue trend; here, the SNP Group achieved a revenue volume of € 40.2 million (H1 2020: € 34.8 million). This represents a growth rate of approximately 16% and a share of around 53% of overall revenue (H1 2020: approximately 51%).

With double-digit revenue growth, the EEMEA, Latam and JAPAC regions have clearly recovered: In all three regions, consulting revenue in particular has increased on the strength of an improved order situation. The EEMEA region contributed revenue of € 12.8 million (H1 2020: € 10.2 million). With revenue growth of 26%, this corresponds to a share of overall revenue of around

17% (H1 2020: approximately 15%). The Latam region registered growth of 29% year-over-year and achieved external revenue of € 9.8 million (H1 2020: € 7.6 million), which represents a revenue share of around 13% (H1 2020: approximately 11%). The JAPAC region grew by a strong 23% to € 3.8 million due to the consolidation of EXA AG (H1 2020: € 3.1 million). Irrespective of the consolidation of EXA AG, the volume of revenue in the JAPAC region is at roughly the same level as in the previous year.

The USA region contributed € 5.7 million of revenue to the Group's overall revenue volume (H1 2020: € 8.4 million), which represents a decrease of around -32% and an overall revenue share of approximately 8% (H1 2020: around 12%). This is due to an adjustment of the sales strategy with a stronger focus on indirect sales channels. As a result, this reduces the dependence on individual large projects in the long term, but in the short term it negatively affects the development of turnover due to the necessary development of the pipeline. A similar picture emerges for the UKI region, which achieved a revenue volume of € 3.4 million (H1 2020: € 4.5 million). This corresponds to a decrease of approximately 25% and a revenue share of around 4% (H1 2020: approximately 7%).

The following tables show the distribution and development of external revenue by region:

REVENUE BY REGION

in € million	H1 2021	H1 2020	Δ
CEU[1]	40.2	34.8	+16%
EEMEA[2]	12.8	10.2	+26%
Latam[3]	9.8	7.6	+29%
USA	5.7	8.4	-32%
JAPAC[4]	3.8	3.1	+23%
UKI[5]	3.4	4.5	-25%

in € million	Q2 2021	Q2 2020	Δ
CEU[1]	23.1	17.6	+31%
EEMEA[2]	6.8	5.3	+28%
Latam[3]	5.3	4.0	+33%
USA	2.9	4.3	-32%
JAPAC[4]	2.6	1.2	+117%
UKI[5]	1.8	1.9	-9%

[1] Central Europe
[2] Eastern Europe, Middle East, Africa
[3] Latin America
[4] Asia-Pacific Japan
[5] United Kingdom, Ireland

Revenue Distribution by Business Segment

In the first six months of the year, the **Services business segment** provided € 52.1 million (H1 2020: € 49.7 million) of Group revenue. Segment revenue thus increased by € 2.4 million or around 5% by comparison with the first half of 2020, thanks in particular to an improved level of utilization of consultants in the second quarter of 2021.

Measured in terms of the overall revenue volume of € 75.7 million, the revenue achieved in the Services business segment in the first half of 2021 corresponds to a share of approximately 69% (H1 2020: 72%).

REVENUE IN SERVICES BUSINESS SEGMENT

in € million	2021	2020	Δ
H1	52.1	49.7	+5%
Q2	28.7	24.4	+18%

In the first six months of the year, the **Software business segment** provided € 23.6 million (H1 2020: € 19.0 million) of Group revenue. This represents an increase of around 24% compared with the first half of 2020. This is attributable to an improvement in the volume of business in the second quarter in particular. The positive overall revenue trend reflects growth in the volume of licensing and cloud fees and an increase in maintenance revenue (software support) in equal measure.

Measured in terms of the overall revenue volume of € 75.7 million, the revenue achieved in the Software business segment in the first half of 2021 corresponds to a share of approximately 31% (H1 2020: 28%). This is consistent with the Group's strategy of significantly increasing the share of Group revenue accounted for by software license and maintenance fees.

Within this business segment, in the first six months of the year licensing and cloud fees have increased by € 2.3 million or approximately 18% to € 15.3 million (H1 2020: € 13.0 million). Recurring software support revenue increased by € 2.1 million in the first half of 2021 to € 7.0 million; this represents growth of approximately 42% on the previous year (H1 2020: € 5.0 million). Software-as-a-service revenue amounts to € 1.3 million for the first half of 2021 (H1 2020: € 1.1 million). This represents an increase of € 0.2 million or around 21%. Revenue in the amount of € 5.0 million (H1 2020: € 3.7 million) was recorded with third-party products in the first half of 2021, which corresponds to an increase of € 1.2 million or approximately 33%.

REVENUE IN THE SOFTWARE BUSINESS SEGMENT

in € million	2021	2020	Δ
H1	**23.6**	**19.0**	**+24%**
Licensing/cloud	15.3	13.0	+18%
Support	7.0	5.0	+42%
SaaS	1.3	1.1	+21%
Third-party products	5.0	3.7	+33%
Q2	**13.9**	**9.9**	**+40%**
Licensing/cloud	9.4	6.7	+39%
Support	3.8	2.7	+43%
SaaS	0.7	0.5	+24%
Third-party products	2.7	1.8	+53%

Order Entry and Order Backlog

Order entry in the first half of 2021 totaled € 91.9 million, -1.0% below the figure for the previous year (H1 2020: € 92.8 million). This includes € 3.0 million from the purchase of EXA AG in March 2021. In organic terms, the order entry volume thus declined by -4.3%. The decline is mainly due to order entry in the USA and UKI regions being significantly below the previous year. In contrast, the JAPAC and EEMEA regions recorded strong growth.

In the Group's core market of Central Europe (CEU), the order entry volume fell in the first half of 2021 and amounted to € 46.0 million, a decline of around -0.7% year-over-year (H1 2020: € 46.4 million). This region thus represents around 50% of the overall order entry volume (H1 2020: around 50%). 1.0 million of the order entry in the CEU region is attributable to EXA AG. This means that the organic decline in order entry is -2.8% compared to the first half of the previous year. The reason for this is the postponement of major projects by customers to the second half of the year.

The **Software business segment** accounted for € 32.7 million or 35.6% of the overall order entry volume in the first half of 2021 (H1 2020: € 29.2 million or 31.4%), which represents an increase of 12.0%. The acquisition of EXA AG contributed € 0.2 million to this development.

€ 59.2 million, or 64.4%, of the order entry volume in the first six months of 2021 is attributable to the **Services business segment** (H1 2020: € 63.7 million, or 68.6%). This includes € 2.8 million from the purchase of EXA AG. The -7.1% decrease mainly reflects continuing restraint in awarding contracts for major projects. Without the acquisition of EXA AG, the order entry volume would have dropped by -11.0%.

The order entry figure in connection with upcoming SAP S/4HANA-related projects amounts to € 28.1 million in the first half of 2021 and is thus at the level of the previous year (H1 2020: €28.1 million).

The order backlog amounted to € 132.8 million as of June 30, 2021, compared to € 110.8 million as of December 31, 2020.

ORDER SITUATION

in € million	H1 2021	H1 2020	Δ
Order entry	**91.9**	**92.8**	**-1%**
Services	59.2	63.7	-7%
Software	32.7	29.2	+12%
Order backlog	**132.8**	**102.7**	**+29%**
Services	76.6	59.1	+30%
Software	56.3	43.6	+29%

in € million	Q2 2021	Q2 2020	Δ
Order entry	**39.4**	**45.2**	**-13%**
Services	28.7	32.7	-12%
Software	10.7	12.5	-14%

Earnings Position

While preparing consolidated financial statements for the 2020 fiscal year, it was determined that a right-of-use asset under a lease agreement (pursuant to IFRS 16) for a property with a related party in the USA had to be written down as per IAS 8 by € 3.6 million to zero for the 2019 fiscal year. As a result of this correction, ongoing depreciation on the right-of-use asset for the lease in the first half of 2020 was reduced by € 0.2 million, which resulted in an improvement in the operating performance (EBIT) in the first half of 2020.

OPERATING PERFORMANCE

	H1 2021	H1 2020 (adjusted)	H1 2020 (as reported)
EBITDA (in € million)	2.9	-0.8	-0.8
EBITDA margin	3.8%	-1.2%	-1.2%
EBIT (in € million)	-1.1	-4.7	-4.9
EBIT margin	-1.4%	-6.8%	-7.1%

	Q2 2021	Q2 2020 (adjusted)	Q2 2020 (as reported)
EBITDA (in € million)	3.8	1.2	1.2
EBITDA margin	8.9%	3.5%	3.5%
EBIT (in € million)	1.7	-0.8	-0.9
EBIT margin	3.9%	-2.3%	-2.6%

A positive operating earnings trend year-over-year is apparent in the first half of the year and especially in the second quarter of the current fiscal year. This reflects significant revenue growth in the second quarter, long-term cost savings due to the cost efficiency measures already initiated in the previous year as well as coronavirus-related savings effects in the areas of travel expenses and marketing costs.

Over the first half of the year, other operating expenses were thus reduced by € 3.2 million or 24.4% to € 9.9 million (H1 2020: € 13.1 million). As well as travel expenses, significant savings were achieved, in particular, in the areas of other personnel costs and external consulting expenses.

In the first half of the year, other operating income was largely unchanged at € 1.2 million; of this amount, € 0.5 million relates to exchange rate gains (H1 2020: € 0.5 million).

Personnel costs have increased by € 3.6 million or 7.4% to € 52.0 million (H1 2020: € 48.4 million) over the first six months of the year, which mainly reflects the initial consolidation of EXA AG.

In the first half of the year, costs of purchased services and the cost of materials increased by € 3.0 million year-over-year and amounted to € 11.9 million. This growth is attributable to higher expenses associated with third-party products as well as the effect of the initial consolidation of EXA AG in the amount of € 0.7 million.

Earnings before interest, taxes, depreciation and amortization (EBITDA) have thus improved to € 2.9 million over the first six months of the year (H1 2020: € -0.8 million). In the same period, earnings before interest and taxes

(EBIT) amount to € -1.1 million, compared to € -4.7 million in the previous year's period.

EXA AG accounted for an EBITDA figure of € 1.0 million and an EBIT figure of € 0.3 million in the first half of 2021.

Net Financial Result and Result for the Period

Following the first six months of the fiscal year, the net financial result was at € -0.8 million lower than in the previous year (H1 2020: € -0.7 million). Earnings before taxes (EBT) thus amount to € -1.9 million (H1 2020: € -5.4 million). After income tax of € -0.2 million (H1 2020: income of € 1.2 million), the first half of 2021 registered a loss for the period of € -2.1 million (H1 2020: € -4.2 million). This corresponds to a net margin of -2.8% (H1 2020: -6.1%). Accordingly, diluted and basic earnings per share improved to € -0.27 (H1 2020: € -0.62).

Net Assets

Total equity and liabilities have increased by € 26.7 million compared with December 31, 2020, to € 233.3 million. The increase in the volume of assets is mainly due to the development of noncurrent assets (€ +23.6 million to € 104.3 million); this growth is based on an increased volume of goodwill (€ +12.4 million to € 46.0 million) as well as higher other intangible assets (€ +9.4 million to € 14.9 million). These two trends mainly reflect the initial consolidation of EXA AG as of March 1, 2021.

Current assets increased by € 3.0 million compared with December 31, 2020, to € 129.0 million. Within the current assets item, trade and other receivables and contract assets in particular increased by € 7.6 million to an overall volume of € 52.9 million due to the higher volume of revenue volume in the second quarter. On the other hand, other financial assets decreased by € 5.3 million to € 15.1 million, due to the withdrawal of funds invested on a short-term basis. Cash and cash equivalents amounted to € 27.4 million as of June 30, 2021 (December 31, 2020: € 26.0 million).

Financial Position

On the equity and liabilities side, current liabilities increased by € 20.6 million compared with December 31, 2020, and amounted to € 74.6 million, while noncurrent liabilities rose by € 8.0 million to € 73.0 million.

In the current liabilities item, financial liabilities have increased by € 21.1 million. This is attributable to a reclassification of promissory note loans in the amount of approximately € 26 million from noncurrent to current liabilities. On the other hand, other current bank loans decreased by € 3.1 million due to repayments, while current purchase price obligations declined by € 1.8 million on account of related settlements. At the same time, trade payables and other liabilities as well as contract liabilities have increased by an overall amount of € 2.6 million to € 13.4 million.

The increase in noncurrent liabilities is mainly due to higher financial liabilities (€ +5.5 million to € 65.0 million) and a rise in deferred taxes (€ +2.9 million to € 3.2 million). Deferred taxes mainly increased as a result of the initial consolidation of EXA AG.

Financial liabilities were characterized by countervailing effects. While promissory note loans in the amount of € 26 million were reclassified as current financial liabilities, this balance sheet item increased by € 15.5 million due to a € 20 million loan agreement signed with the European Investment Bank in February 2021 as well as higher purchase price liabilities in connection with acquisitions.

The Group's equity declined in the first six months of 2021 from € 87.7 million to € 85.7 million. This decrease is mainly attributable to the loss for the period in the amount of € -2.1 million. As a result, retained earnings decreased from € 4.7 million as of December 31, 2020, to € 2.8 million. The deduction made for treasury shares increased in comparison with December 31, 2020, to € -4.9 million in the reporting period (as of December 31, 2020: € -2.7 million). This was due to the repurchase of 37,000 treasury shares. Subscribed capital remains unchanged. The capital reserves have increased by € 0.4 million due to the obligations to issue equity instruments under the 2020 Stock Option Plan as well as the LTI scheme for the Managing Directors. Due to the decrease in equity and the increase in total equity and liabilities as of June 30, 2021, the equity ratio declined from 42.4% to 36.7%.

Development of Cash Flow and the Liquidity Position

Besides the net loss for the period (€ -2.1 million), the negative operating cash flow in the amount of € -12.9 million (H1 2020: € -1.8 million) in the first six months of 2021 is mainly attributable to the increased volume of contract assets (€ +8.0 million). The increase is mainly due to the additional partnership agreement with All for One Group SE.

The balanced cash flow from investing activities in the amount of € 0.3 million (H1 2020: € -2.1 million) is mainly due to the release of liquidity invested on a short-term basis (€ +5.0 million). This contrasts with payments resulting from the acquisition of consolidated companies and other business units (€ -2.9 million) as well as investments in property, plant and equipment (€ -1.6 million).

Financing activities resulted in a positive cash flow in the amount of € 10.8 million (H1 2020: € 7.8 million). The positive cash flow resulted due to proceeds from loans taken out, in particular due to a € 20 million finance agreement with the European Investment Bank. This contrasts with loan repayments in the amount of € 5.0 million, payments made for the acquisition of treasury shares in the amount of € 2.2 million and payments for the settlement of lease liabilities in the amount of € 2.1 million.

The effects of changes in foreign exchange rates on cash and bank balances have not had any significant impact in the first half of 2021 (H1 2020: € -0.4 million).

Overall cash flow during the reporting period came to € -1.8 million (H1 2020: € +3.5 million). Taking into account the changes presented here, the level of cash and cash equivalents decreased to € 27.7 million as of June 30, 2021, plus funds invested on a short-term basis in the amount of € 15.0 million.

The composition of cash and cash equivalents as of June 30, 2021, in the amount of € 27.7 million deviates from the carrying value of cash and cash equivalents of € 27.4 million due to the reclassification of cash and cash equivalents of the disposal group (€ 0.3 million).

As of December 31, 2020, the volume of cash and cash equivalents amounted to € 29.4 million, plus funds invested on a short-term basis in the amount of € 20.0 million. Overall, the SNP Group remains solidly positioned financially.

Employees

As of June 30, 2021, the number of employees of the SNP Group increased to 1,576, which is mainly attributable to the consolidation of EXA AG; as of December 31, 2020, the Group's workforce had totaled 1,463 employees. The Group's employees included 2 Managing Directors (as of December 31, 2020: 3), 25 managers (as of December 31, 2020: 22) and 35 trainees, students and interns (as of December 31, 2020: 28).

The average number of employees during the first half of 2021 excluding the aforementioned group of individuals was 1,485 (H1 2020: 1,363).

EXA AG accounts for 114 employees as of June 30, 2021.

SNP Narrows Forecast

In its 2020 Annual Report, SNP published its Group forecast for the 2021 fiscal year, which envisaged a revenue volume of between € 160 million and € 180 million and an EBIT margin of between 5% and 8%. This forecast was drawn up without including any effects of M&A activities, since at that time it was difficult to calculate the effects of planned purchases and sales. This forecast was confirmed without any changes in the report for the first quarter of 2021, and at present the company continues to expect that its business performance will be consistent with its original forecast.

Now that the revenue and earnings effects resulting from the various M&A activities (purchase of EXA AG and Datavard AG, sale of the Group's Polish subsidiary) are easier to assess, the company has now narrowed its revenue and earnings targets for the current fiscal year: Taking into consideration the acquisitions of EXA AG (March 2021) and Datavard AG (August 2021) and the envisaged sale of the Group's Polish subsidiary at the end of the third quarter of 2021, the management envisages an updated Group revenue of between € 170 million and € 190 million (previously, without M&A activities: between € 160 million and € 180 million). The expectation for the EBIT margin remains unchanged at 5% to 8%. This applies before effects from the purchase price allocation of Datavard AG, as these cannot be reliably determined at the present time. Immediately after the effects from the purchase price allocation have been calculated, the company will adjust and publish the EBIT margin forecast.

In order to better estimate and assess the current earnings performance, the management will establish EBITDA as an additional Group-wide management and forecast figure in the course of the year. Taking into consideration the two completed acquisitions (EXA AG and Datavard AG) and the envisaged sale of the Group's Polish subsidiary, the management expects an EBITDA of between € 18 million and € 24 million for the current fiscal year; without the M&A activities, the EBITDA forecast would be between € 16 million and € 22 million.

The company also continues to expect increased revenue in its Services and Software business segments and a significant increase in its order entry volume compared to the previous year.

Heidelberg, Germany, August 6, 2021

The Managing Directors

Michael Eberhardt

Prof. Dr. Heiner Diefenbach

Gregor Stöckler

CONSOLIDATED BALANCE SHEET

to June 30, 2021

ASSETS

in € thousand	June 30, 2021	Dec. 31, 2020	June 30, 2020 (adjusted)[1]	June 30, 2020 (as reported)
Current assets				
Cash and cash equivalents	27,347	25,961	22,654	22,654
Other financial assets	15,107	20,383	1,306	1,306
Trade receivables and other receivables	25,210	25,600	28,469	28,469
Contract asset values	27,729	19,704	21,919	21,919
Inventories	0	0	404	404
Other non-financial assets	4,038	2,854	3,258	3,258
Tax receivables	120	81	71	71
Liabilities resulting from assets held for sale	29,466	31,398	0	0
	129,017	**125,981**	**78,081**	**78,081**
Non-current assets				
Goodwill	46,042	33,605	52,313	52,313
Other intangible assets	14,855	5,422	7,125	7,125
Property, plant and equipment	5,352	4,396	5,676	5,676
Rights of use	16,060	17,511	16,315	19,713
Other financial assets	973	592	1,463	1,463
Investments accounted for under the equity method	225	225	225	225
Contract values	13,774	12,571	3,607	3,607
Other non-financial assets	143	147	179	179
Deferred taxes	6,898	6,223	6,715	6,663
	104,322	**80,692**	**93,618**	**96,964**
	233,339	**206,673**	**171,699**	**175,045**

[1] Further information on the adjusted previous year figures can be found in this Half-Year Financial Report in the Interim Group Management Report/Financial Performance.

EQUITY AND LIABILITIES

in € thousand	June 30, 2021	Dec. 31, 2020	June 30, 2020 (adjusted)[1]	June 30, 2020 (as reported)
Current liabilities				
Trade payables and other liabilities	4,937	4,613	6,899	6,899
Contract liabilities	8,459	6,178	8,378	8,378
Tax liabilities	915	2,269	824	824
Financial liabilities	33,877	12,758	11,485	11,790
Other non-financial liabilities	17,007	18,225	18,334	18,334
Provisions	1,548	1,124	116	116
Liabilities resulting from assets held for sale	7,881	8,819	0	0
	74,624	**53,986**	**46,036**	**46,341**
Non-current liabilities				
Contract liabilities	1,376	2,134	2,842	2,842
Financial liabilities	65,020	59,498	59,096	58,618
Other non-financial liabilities	184	246	317	317
Provisions for pensions	3,195	2,829	3,063	3,063
Deferred taxes	3,215	297	660	660
	72,990	**65,004**	**65,978**	**65,500**
Equity				
Subscribed capital	7,212	7,212	6,602	6,602
Capital reserve	87,459	87,068	60,003	60,003
Retained earnings	2,796	4,725	2,167	5,650
Other components of the equity	-6,451	-8,380	-6,875	-6,838
Treasury shares	-4,892	-2,713	-2,153	-2,153
Equity attributable to shareholders	**86,124**	**87,912**	**59,744**	**63,264**
Non-controlling interests	-399	-229	-60	-60
	85,725	**87,683**	**59,684**	**63,204**
	233,339	**206,673**	**171,698**	**175,045**

[1] Further information on the adjusted previous year figures can be found in this Half-Year Financial Report in the Interim Group Management Report/Financial Performance.

CONSOLIDATED INCOME STATEMENT

for the period from January 1, 2020 to June 30, 2021

in € thousand	1st half year 2021	1st half year 2020 (adjusted)[1]	1st half year 2020 (as reported)	2nd quarter 2021	2nd quarter 2020 (adjusted)	2nd quarter 2020 (as reported)
Revenue	**75,669**	**68,658**	**68,658**	**42,606**	**34,291**	**34,291**
Service	52,058	49,657	49,657	28,749	24,360	24,360
Software	23,611	19,001	19,001	13,857	9,931	9,931
Capitalized own services	158	9	9	96	0	0
Other operating income	1,215	1,234	1,234	212	410	410
Cost of material	-11,919	-8,952	-8,952	-6,570	-4,416	-4,416
Personnel costs	-52,025	-48,427	-48,427	-26,613	-23,487	-23,487
Other operating expenses	-9,895	-13,082	-13,082	-5,747	-5,439	-5,439
Impairments on receivables and contract assets	-19	-19	-19	-16	-19	-19
Other taxes	-290	-246	-246	-157	-129	-129
EBITDA	**2,894**	**-825**	**-825**	**3,811**	**1,211**	**1,211**
Depreciation and impairments on intangible assets and property, plant and equipment	-3,954	-3,868	-4,062	-2,129	-2,016	-2,113
EBIT	**-1,060**	**-4,693**	**-4,887**	**1,682**	**-805**	**-902**
Other financial income	15	23	23	5	15	15
Other financial expenses	-861	-768	-768	-432	-412	-412
Net financial income	**-846**	**-745**	**-745**	**-427**	**-397**	**-397**
EBT	**-1,906**	**-5,438**	**-5,632**	**1,255**	**-1,202**	**-1,299**
Income taxes	-186	1,217	1,217	-818	350	350
Consolidated income/net loss	**-2,092**	**-4,221**	**-4,415**	**437**	**-852**	**-949**
Thereof:						
Profit attributable to non-controlling shareholders	-163	-143	-143	-95	-78	-78
Profit attributable to shareholders of SNP Schneider-Neureither & Partner SE	-1,929	-4,078	-4,272	532	-774	-871
Earnings per share	**€**	**€**	**€**	**€**	**€**	**€**
- Undiluted	-0.27	-0.62	-0.65	0.08	-0.10	-0.13
- Diluted	-0.27	-0.62	-0.65	0.08	-0.10	-0.13
Weighted average number of shares	**in thousand**	**in thousand**	**in thousand**	**in thousand**	**in thousand**	**in thousand**
- Undiluted	7,123	6,543	6,543	7,123	6,543	6,543
- Diluted	7,123	6,543	6,543	7,123	6,543	6,543

[1] Further information on the adjusted previous year figures can be found in this Half-Year Financial Report in the Interim Group Management Report/Financial Performance.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from January 1 to June 30, 2021

in € thousand	1st half year 2021	1st half year 2020 (adjusted)[1]	1st half year 2020 (as reported)	2nd quarter 2021	2nd quarter 2020 (adjusted)	2nd quarter 2020 (as reported)
Net income for the period	**-2,092**	**-4,221**	**-4,415**	**437**	**-852**	**-949**
Items that may be reclassified to profit or loss in the future						
Currency translation differences	1,914	-2,380	-2,365	1,446	-378	-753
Deferred taxes on currency translation differences	0	0	0	0	0	0
	1,914	**-2,380**	**-2,365**	**1,446**	**-378**	**-753**
Items that will not be reclassified to profit or loss						
Change from the revaluation of defined benefit pension plans	9	-10	-10	-5	3	3
Deferred taxes on revaluation of defined benefit pension plans	-1	1	1	0	0	0
	8	**-9**	**-9**	**-5**	**3**	**3**
Income and expenses directly recognized in equity	**1,922**	**-2,389**	**-2,374**	**1,441**	**-375**	**-750**
Total comprehensive income	**-170**	**-6,610**	**-6,789**	**1,878**	**-1,227**	**-1,699**
Profit attributable to non-controlling shareholders	-170	-146	-146	-92	-79	-79
Profit attributable to shareholders of SNP Schneider-Neureither & Partner SE in total comprehensive income	**0**	**-6,464**	**-6,643**	**1,970**	**-1,148**	**-1,620**

[1] Further information on the adjusted previous year figures can be found in this Half-Year Financial Report in the Interim Group Management Report/Financial Performance.

CONSOLIDATED CASH FLOW STATEMENT

for the period from January 1, 2020 to June 30, 2021

in € thousand	1st half year 2021	1st half year 2020 (adjusted)[1]	1st half year 2020 (as reported)
Profit after tax	**-2,092**	**-4,221**	**-4,415**
Depreciation	3,954	3,868	4,062
Change in provisions for pensions	-33	172	172
Other non-cash income/expenses	-790	-1,430	-1,430
Changes in trade receivables, contract assets, other current assets, other non-current assets	-9,098	-1,849	-1,849
Changes in trade payables, contract liabilities, other provisions, tax liabilities, other current liabilities	-4,878	1,710	1,710
Cash flow from operating activities (1)	**-12,937**	**-1,750**	**-1,750**
Payments for investments in property, plant and equipment	-1,623	-1,120	-1,120
Payments for investments in intangible assets	-307	-244	-244
Payments for investments in at-equity investments	0	-200	-200
Proceeds from the disposal of items of intangible assets and property, plant and equipment	150	28	28
Proceeds from the disposal of financial assets	5,000	0	0
Payments resulting from the acquisition of consolidated companies and other business units	-2,918	-600	-600
Cash flow from investing activities (2)	**302**	**-2,136**	**-2,136**
Payments for the purchase of treasury shares	-2,179	-644	-644
Proceeds from loans taken out	20,118	17,013	17,013
Payments for the settlement of loans and other financial liabilities	-5,012	-5,329	-5,329
Payments resulting from the settlement of lease liabilities	-2,125	-3,240	-3,240
Cash flow from financing activities (3)	**10,802**	**7,800**	**7,800**
Changes in cash and cash equivalents due to foreign exchange rates (4)	78	-397	-397
Cash change in cash and cash equivalents (1) + (2) + (3) + (4)	**-1,755**	**3,517**	**3,517**
Cash and cash equivalents at the beginning of the fiscal year	29,405	19,137	19,137
Cash and cash equivalents as of June 30	**27,650**	**22,654**	**22,654**
Composition of cash and cash equivalents:			
Cash and cash equivalents	27,650	22,654	22,654
Cash and cash equivalents as of June 30	**27,650**	**22,654**	**22,654**

[1] Further information on the adjusted previous year figures can be found in this Half-Year Financial Report in the Interim Group Management Report/Financial Performance.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from January 1, 2020 to June 30, 2021

				Other components of equity						
in € thousand	Subscribed Capital	Capital reserve	Retained earnings	Currency conversion	Revaluation of performance-oriented obligations	Other components of equity Total	Treasury shares	Shareholders of SNP SE attributable capital	Non-controlling shares	Total equity
As of January 1, 2020 (adjusted)	**6,602**	**59,968**	**6,245**	**-3,409**	**-1,080**	**-4,489**	**-1,509**	**66,817**	**86**	**66,903**
Purchase of own shares							-644	-644		-644
Stock option plan		35						35		35
Total comprehensive income			-4,078	-2,378	-8	-2,386		-6,464	-146	-6,610
As of June 30, 2020	**6,602**	**60,003**	**2,167**	**-5,787**	**-1,088**	**-6,875**	**-2,153**	**59,744**	**-60**	**59,684**
Capital increase	610	26,963						27,573		27,573
Purchase of own shares							-560	-560		-560
Stock option plan		102						102		102
Total comprehensive income			2,558	-1,604	99	-1,505		1,053	-169	884
As of December 31, 2020	**7,212**	**87,068**	**4,725**	**-7,391**	**-989**	**-8,380**	**-2,713**	**87,912**	**-229**	**87,683**
Purchase of own shares							-2,179	-2,179		-2,179
Stock option plan		391						391		391
Total comprehensive income			-1,929	1,921	8	1,929		0	-170	-170
As of June 30, 2021	**7,212**	**87,459**	**2,796**	**-5,470**	**-981**	**-6,451**	**-4,892**	**86,124**	**-399**	**85,725**

[1] Further information on the adjusted previous year figures can be found in this Half-Year Financial Report in the Interim Group Management Report/Financial Performance.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2021

Company Information

SNP Schneider-Neureither & Partner SE (SNP SE or "the company") is a listed corporation based in Heidelberg, Germany. These consolidated interim financial statements for the period from January 1 to June 30, 2021 were released for publication by resolution of the Managing Directors on August 6, 2021.

Basis for Reporting

These condensed consolidated interim financial statements were prepared in accordance with IAS 34 "Interim Financial Reporting." Accordingly, this interim report does not contain all information and disclosures in the notes that are required for consolidated financial statements as of the end of a fiscal year in accordance with IFRS. The accounting and measurement principles applied in these interim financial statements essentially conform to those in the consolidated financial statements as of the end of the 2020 fiscal year. A detailed description of accounting principles is published in the notes to the consolidated financial statements in the 2020 Annual Report, which can be viewed at www.snpgroup.com under the heading Investor Relations/Reports and Presentations.

There are no seasonal factors.

Scope of Consolidation

Aside from SNP Schneider-Neureither & Partner SE (Speyerer Strasse 4, 69115 Heidelberg, Germany) as the parent company, the scope of consolidation includes the following subsidiaries in which SNP Schneider-Neureither & Partner SE holds the majority of the voting rights directly or indirectly.

Company name	Company headquarters	Share ownership in %
SNP Deutschland GmbH	Heidelberg, Germany	100
SNP Applications DACH GmbH	Heidelberg, Germany	100
SNP GmbH	Heidelberg, Germany	100
Innoplexia GmbH	Heidelberg, Germany	100
ERST European Retail Systems Technology GmbH	Hamburg, Germany	100
Hartung Consult GmbH	Berlin, Germany	100
SNP Austria GmbH	Pasching, Austria	100
SNP (Schweiz) AG	Steinhausen, Switzerland	100
SNP Resources AG	Steinhausen, Switzerland	100
Harlex Consulting Ltd.	London, U.K.	100
SNP Poland Sp. z o.o.	Suchy Las, Poland	100
SNP Digital Hub Eastern Europe sp. z o.o.	Suchy Las, Poland	100
SNP Transformations, Inc.	Jersey City, New Jersey, USA	100
ADP Consultores S.R.L.	Buenos Aires, Argentina	100
ADP Consultores Limitada	Santiago de Chile, Chile	100
ADP Consultores S.A.S.	Bogotá, Colombia	100
SNP Schneider-Neureither & Partner ZA (Pty) Limited	Johannesburg, South Africa	100
Shanghai SNP Data Technology Co., Ltd.	Shanghai, China	100
Qingdao SNP Data Technology Co., Ltd.	Qingdao, China	100
SNP Transformations SEA Pte. Ltd.	Singapore, Singapore	81
SNP Transformations Malaysia Sdn. Bhd.	Kuala Lumpur, Malaysia	81
SNP Australia Pty Ltd.	Sydney, Australia	100
SNP Japan Co.,Ltd.	Tokyo, Japan	100
SNP LATAM-MÉXICO S. de R.L. DE C.V.[1]	Mexico City, Mexico	100
EXA AG	Heidelberg, Germany	74.9
EXA AG India Pvt. Ltd	Bangalore, India	74.9
EXA AG America LLC	Reston, Virginia, USA	74.9

[1] SNP LATAM-MÉXICO S. de R.L. DE C.V. was established in April 2021.

ACCOUNTING AND MEASUREMENT METHODS

Application of New Accounting Rules

No standards and interpretations (of relevance to the Group) have entered into force or been applied in the first half of 2021 which have a material impact on the Group's financial position and financial performance.

Financial Instruments

In February 2021, SNP SE signed a finance agreement with the European Investment Bank in the amount of € 20 million. The loan has a term of five years and bears interest at a fixed rate of 1.101% per annum.

The loan was recognized at fair value less transaction costs and is subsequently measured at amortized cost. For the accounting of call and put options in connection with the acquisition, see the Acquisitions / Business Combinations section.

Goodwill

For the purpose of impairment testing, the goodwill acquired from a business combination must be assigned, from the acquisition date, to cash-generating units of the Group that are expected to benefit from business combination-related synergies. This applies regardless of whether other Group assets or liabilities have already been assigned to these units. Each unit to which goodwill has been assigned represents the lowest level within the Group at which goodwill is monitored for internal management purposes.

The impairment is determined by calculating the recoverable amount of the cash-generating unit to which the goodwill relates. If the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized.

Goodwill of € 46,042 thousand (December 31, 2020: € 33,605 thousand) was largely assigned to the Services business segment for the purpose of impairment testing. The goodwill of the EXA Group which was acquired in the 2021 fiscal year was provisionally assigned to the Software business segment. A final purchase price allocation is pending. Goodwill is attributable to the cash-generating units as follows:

in € thousand	6/30/2021	12/31/2020
Services	49,812	48,016
Software	13,876	3,081
Reclassification to disposal group	-17,646	-17,492
Total	**46,042**	**33,605**

Goodwill developed as follows:

in € thousand	
As of December 31, 2020	**33,605**
Additions from company acquisitions	10,796
Exchange rate differences	1,794
Reclassification to disposal group	-153
As of June 30, 2021	**46,042**

The business segments represent the smallest cash-generating units in the Group for which goodwill is monitored as part of internal management. The impairment test is based on the value in use, which is determined by discounting the planned cash flows resulting from the continuation of the individual units. Cash flow planning is based on the current operating results and a three-year business plan. Cash flows in subsequent years are updated using a constant growth rate of 1.0% (previous year: 1.0%). These cash flow forecasts are discounted to the value in use at a pretax rate of 9.6% (as of December 31, 2020: 9.6%). Business planning takes into account both current information and historical developments. The forecast numbers for 2021 still take into account the negative impacts of the coronavirus pandemic in particular, which are nevertheless not considered beyond 2021. No impairment losses were required either in the reporting year or in the previous year.

ACQUISITIONS / BUSINESS COMBINATIONS

ACQUISITION OF THE EXA GROUP

With economic effect on March 1, 2021, SNP acquired 74.9% of the shares in the EXA Group. The remaining 25.1% of EXA shares are retained by Divya Vir Rastogi, CEO and co-founder of EXA, with a put option from 2024 and a call option from 2025. The EXA Group consists of its parent company, EXA AG in Germany, as well as a subsidiary in India and a subsidiary in the USA. EXA is a leading provider of transformation solutions in the area of financial management with a focus on the topics of operational transfer pricing and the global value chain. The SNP Group expects the strategic expansion of the portfolio to produce considerable synergies in go-to-market strategies and product development, which will positively influence the result in the future. Furthermore, the acquisition will increase the proportion of recurring revenues within the SNP Group.

From the Group perspective, 100% of the shares are attributable to SNP SE as of March 1, 2021 due to existing put/call options. At this time, business operations were incorporated into the 2021 consolidated financial statements. The initial consolidation took place in accordance with IFRS 3 ("Business Combinations") using the acquisition method.

Transferred Consideration

Summarized below is the fair value of each major class of consideration as of the acquisition date:

in € thousand	
Cash and cash equivalents	10,516
Liabilities	1,000
Liability from options on shares attributable to the non-controlling interest	14,291
Total transferred consideration	**25,807**

The purchase price installment was paid with liquid assets in March and May 2021.

Expenses Associated with the Business Combination

The Group incurred expenses related to the business combination of € 49 thousand, consisting of legal and consulting fees. These expenses are included in other operating expenses.

Identifiable Acquired Assets and Assumed Liabilities

The fair values of the identifiable assets and liabilities as of the acquisition date are presented below:

in € thousand	
Intangible assets	10,511
Property, plant and equipment	141
Rights of use	372
Cash and cash equivalents	9,544
Receivables	1,065
Contract assets	776
Other assets	392
Provisions for pensions	-399
Trade payables	-232
Contract liabilities	-275
Other liabilities	-3,830
Deferred taxes	-3,054
Total identifiable acquired net assets	**15,011**

The gross amount of contractual receivables amounts to € 1,066 thousand. The total contractual fixed amounts are expected to be recoverable.

Since the time of acquisition, the EXA Group has contributed € 3,638 thousand to Group revenue and € 933 thousand to Group earnings before taxes. If the business combination had taken place at the beginning of the year, revenue would have been € 5,468 thousand and Group earnings before taxes would have been € 1,428 thousand.

Goodwill

The goodwill resulting from the acquisition was recorded as follows:

in € thousand	
Transferred consideration	25,807
Fair value of identifiable net assets	-15,011
Goodwill at the time of acquisition	**10,796**

Of the € 25,807 thousand in consideration transferred, the initial portion of the purchase price amounting to € 10,516 thousand was paid in March and May 2021 and thus represents a cash outflow. A further purchase price portion in the amount of € 1,000 thousand will be settled in the second half of 2021 and has been reported under other current liabilities.

The amount of the consideration resulting from the options on shares attributable to the non-controlling interest is determined by the contractually agreed put or call option. The put option may be exercised in 2024 at the earliest, while the call option may be exercised in 2025. The exercise price will be calculated on the basis of the average EBITA in the three years prior to the exercise of the option. The call option does not meet the definition criteria of a derivative within the meaning of IFRS 9 and is therefore not recognized as an off-balance sheet pending transaction. The put option is accounted for using the anticipated acquisition method. Accordingly, a financial liability is recognized in the amount of the present value of the exercise price of the put option and subsequently measured at amortized cost. The liability from the put option attributable to the non-controlling interest is reported under non-current financial liabilities. The shares attributable to non-controlling interest are correspondingly reported as if they were attributable to the Group. No equity instruments were issued for the acquisition of shares.

Goodwill of € 10,796 thousand resulting from the acquisition includes the value of the know-how, the employees and future earnings prospects. None of the goodwill recognized is expected to be tax-deductible.

A cash inflow of € 9,544 thousand resulted from the transaction, leading to a net cash outflow from the Group’s perspective of € 972 thousand.

The first-time accounting of the EXA Group is incomplete as we are still in the process of collecting the closing information for the identification and measurement of intangible assets. A final purchase price allocation is pending. As a result of this, the numbers reported in our consolidated half-year financial reports are still preliminary.

Share-Based Payment Transactions

In April 2021, the Board of Directors agreed a long-term incentive (LTI) program with the Managing Directors, with an overall term of five years. For each tranche of this program, the company will grant a Managing Director shares in the company (SNP shares), the number of which will depend on the achievement of certain performance indicators in the first year of the tranche in question. These shares are then subject to a roughly four-year holding obligation. In order to calculate the number of SNP shares transferable for a given tranche of the LTI, a target amount (“base amount”) will be determined which corresponds to a 100% level of target achievement. The final amount of the LTI achieved for this fiscal year will be determined in accordance with this base amount and the number of SNP shares transferable for this tranche thus calculated.

The Group recognized personnel expenses of € 300 thousand in the first half of 2021 for the grant of the share-based LTI program which was created for the first time in 2021. In addition, personnel expenses in the amount of € 91 thousand (previous year: € 35 thousand) were recognized in the first half of 2021 for SNP’s 2020 Stock Option Plan in connection with share-based remuneration transactions with settlement in equity instruments.

SEGMENT REPORTING

for the Period from January 1 to June 30, 2021

Segment reporting was prepared in accordance with IFRS 8. Based on the Group's internal reporting and organizational structure, the presentation of individual information from the consolidated financial statements is subdivided according to segment.

in € thousand	Service	Software	Total
External revenue			
1st half-year 2021	52,058	23,611	75,669
1st half-year 2020 (adjusted)	49,657	19,001	68,658
1st half-year 2020 (as reported)	49,657	19,001	68,658
Segment earnings (EBIT)			
1st half-year 2021	268	3,873	4,141
Margin	0.5%	16.4%	5.5%
1st half-year 2020 (adjusted)	-1,954	2,883	929
Margin	-3.9%	15.2%	1.4%
1st half-year 2020 (as reported)	440	471	911
Margin	0.9%	2.5%	1.3%
Depreciation, amortization and write-downs included in the segment earnings			
1st half-year 2021	2,336	1,164	3,500
1st half-year 2020 (adjusted)	2,308	1,117	3,425
1st half-year 2020 (as reported)	2,468	1,141	3,609

RECONCILIATION in € thousand	1st half-year 2021	1st half-year 2020 (adjusted)	1st half-year 2020 (as reported)
Result			
Total reportable segments	4,141	929	911
Expenses not allocated to the segments	-5,201	-5,622	-5,798
of which depreciation, amortization and write-downs	-454	-443	-452
EBIT	**-1,060**	**-4,693**	**-4,887**
Net financial result	-846	-745	-745
Earnings before taxes (EBT)	**-1,906**	**-5,438**	**-5,632**

Additional Information on Segment Reporting

In December 2020, the consolidated financial statements for 2019 were retroactively adjusted due to the correction of an error. This adjustment has also affected the 2020 interim financial statements. In addition, a more precise calculation method for the segment-related expenses was adopted. The previous-year figures were adjusted for this purpose.

The increase in service revenue is attributable to a relatively good order situation, despite the difficult economic environment due to the coronavirus. Since the costs allocable to this business segment have increased less strongly, the segment margin improved from -3.9% in the previous year to 0.5% in the first half of 2021. The revenue achieved in the Services business segment is exclusively recognized over a period of time.

Revenue in the Software business segment has increased significantly year-over-year, by around 24% to € 23,611 thousand (previous year: € 19,001 thousand). This reflects the company's successful implementation of its software and partner strategy. The segment margin has thus increased from 15.2% in the previous year to 16.4%. In the second half of the year, SNP expects to significantly increase its software revenue through partner companies in particular. Out of the total revenue in the Software business segment, € 16,150 thousand (previous year: € 14,155 thousand) was realized over time and € 7,462 thousand (previous year: € 4,845 thousand) at a specific point in time.

Fair Value of Financial Instruments

Our financial instruments are primarily classified at amortized cost. The following table shows the carrying amounts and fair values of all financial instruments recognized in the consolidated financial statements:

in € thousand		6/30/2021 (after reclassification to disposal group)		12/31/2020 (after reclassification to disposal group)	
Financial assets	**IFRS 9 category**	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Cash and cash equivalents	Amortized cost	27,347	27,347	25,961	25,961
Derivatives	Fair value (profit or loss)	2	2	4	4
Trade receivables	Amortized cost	25,210	25,210	25,600	25,600
Other financial assets	Amortized cost	16,079	16,079	20,971	20,971
Total		**68,638**	**68,638**	**72,536**	**72,536**

in € thousand		6/30/2021 (after reclassification to disposal group)		12/31/2020 (after reclassification to disposal group)	
Financial liabilities	**IFRS 9 category**	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Trade payables	Amortized cost	4,937	4,937	4,613	4,613
Financial liabilities	Amortized cost	65,751	63,293	51,254	50,636
Derivatives	Fair value (profit or loss)	2	2	5	5
Purchase price obligations	Amortized cost	0	0	1,816	1,816
Purchase price obligations	Fair value (profit or loss)	412	412	474	474
Liabilities from put options attributable to non-controlling interests	Amortized cost	15,291	15,291	0	0
Lease liabilities		17,070	17,070	18,364	18,364
Other financial liabilities	Amortized cost	371	371	343	343
Total		**103,834**	**101,376**	**76,869**	**76,251**

Summary as per IFRS 9 category

in € thousand	6/30/2021 Carrying amount	12/31/2020 Carrying amount
Financial assets measured at amortized cost	68,636	72,532
Financial assets measured at fair value through profit or loss	2	4
Financial liabilities measured at amortized cost	86,350	58,026
Financial liabilities measured at fair value through profit or loss	414	479

Cash and cash equivalents, trade receivables measured at amortized cost, trade payables and other financial assets and liabilities have predominantly short remaining terms. For these short-term financial instruments, the carrying amount is a reasonable approximation of fair value. The step used to determine the fair value is not disclosed separately for these financial instruments.

The fair value of financial liabilities is measured on the basis of the yield curve, while taking credit spreads into consideration. They have therefore been assigned to level 2 in the valuation hierarchy.

The fair values of derivatives are determined using bank valuation models based on current parameters such as the yield curve and volatility of the interest rate level. They are assigned to level 2 in the valuation hierarchy.

The fair value of contingent purchase price obligations in connection with company acquisitions that have a measurement at fair value level 3 after subsequent measurement is determined in accordance with generally accepted valuation methods based on discounted cash flow analyses. The material inputs are, in addition to the factor-specific discount rates, the expectations for future cash flows and the earnings figures determined in purchase agreements and relevant with regard to earn-out.

The fair value of liabilities from put options attributable to non-controlling interests is determined in accordance with generally accepted valuation methods based on discounted cash flow analyses. The main inputs are, in addition to the factor-specific discount rates, the expectations for the relevant earnings figures determined in purchase agreements. They have therefore been assigned to level 3 in the valuation hierarchy.

The changes to the financial instruments measured at fair value level 3 are as follows:

in € thousand	Purchase price obligations
As of December 31, 2020	**474**
Payments	-117
Losses Recognized in the Income Statement (realised)	55
As of June 30, 2021	**412**

Of the losses recognized in the income statement, € 36 thousand relate to the increase in the contingent purchase price obligation due to a reassessment of the earnings figures defined in the purchase agreements, which were recognized in other operating expenses. € 15 thousand relate to the compound interest effects recognized as interest expense. A further € 4 thousand relate to currency effects recognized in other operating expenses.

The Group determines at the end of each reporting period whether transfers have occurred between hierarchy levels by reviewing the classification (based on the input of the lowest level that is significant to the fair value measurement as a whole).

The general responsibility for monitoring all significant measurements of fair value, including level 3 fair values, belongs to the Finance department, which reports directly to the Chief Financial Officer. The finance department uses selected external valuers where necessary to determine the fair value of significant assets and liabilities. The selection criteria include market knowledge, reputation, independence and compliance with professional standards. The finance department decides which valuation techniques and inputs apply in each individual case in discussion with the external valuers.

Additional Information on the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity

The composition of cash and cash equivalents as of June 30, 2021, of € 27,650 thousand deviates from the carrying value of cash and cash equivalents of € 27,347 thousand due to the reclassification of cash and cash equivalents of the disposal group (€ 303 thousand).

Due to the € 8,025 thousand increase in contract assets and the € 3,146 thousand decrease in other nonfinancial liabilities, the cash flow from operating activities amounts to € -12,937 thousand (previous year: € -1,750 thousand).

Cash flow from investing activities includes payments for company acquisitions of € 2,918 thousand (previous year: € 600 thousand). These relate to payments for company acquisitions made in 2020 and 2021. The proceeds from the disposal of financial assets comprise the repayment of a term deposit investment made in 2020.

In February 2021, SNP SE signed a finance agreement with the European Investment Bank in the amount of € 20 million. The loan has a term of five years and bears interest at a fixed rate of 1.101% per annum.

Material actuarial gains/losses are not expected from the actuarial measurement of pensions and other post-employment benefits either at the end of the first six months of 2021 or at the end of 2021. Currency translation effects, which are to be reflected in equity without an effect on profit or loss, amounted to € -1,914 thousand in the first six months of 2021 (previous year, adjusted: € 2,380 thousand). This change is mainly associated with the foreign-currency measurement of goodwill.

Related Party Disclosures

A legal consulting agreement has been concluded between SNP SE and RB Reiserer Biesinger Rechtsanwaltsgesellschaft mbH, in which the member of the Board of Directors Dr Karl Biesinger is Managing Director and shareholder. In the period up to June 30, 2021, related expenses were € 74 thousand (previous year: € 286 thousand); as of June 30, 2021, there were outstanding liabilities in the amount of € 35 thousand.

A sublease agreement has been concluded between SNP Deutschland GmbH as the landlord and Oorcca GmbH as the tenant, an associated company in which the member of the Board of Directors Dr Karl Biesinger is Managing Director and shareholder. As of June 30, 2021, related income was € 3 thousand (previous year: € 0 thousand); as of June 30, 2021, there were no outstanding receivables.

On the basis of employment contracts between SNP SE and a child of a member of the Board of Directors, salary payments were made including benefits in kind and fringe benefits. In the period to June 30, 2021, related expenses were € 33 thousand (previous year: € 31 thousand). As of June 30, 2021, there were no outstanding liabilities or receivables.

The 2021 Annual General Meeting

SNP SE's 2021 Annual General Meeting took place on June 17, 2021, as a virtual annual general meeting. The Annual General Meeting backed all but one of the items on the agenda. Among other items, the shareholders accepted the proposal of the Board of Directors regarding the appropriation of net earnings and resolved not to distribute any dividend. All five of the candidates proposed for the Board of Directors were elected with very large majorities. The resolution on authorization to issue warrant-linked and convertible bonds, to exclude the subscription right, to create a contingent capital and to amend the articles of association was passed. The resolution on the cancellation of the existing authorized capital, the creation of a new authorized capital with the option of excluding the subscription rights of shareholders and an amendment to the articles of incorporation was not accepted.

Treasury Shares

In the period from 2011 to 2013, the company purchased a total of 21,882 shares at a cost of € 414,650.19. As of June 30, 2021, the company continues to hold these shares.

On May 12, 2016, the Annual General Meeting authorized the company to acquire for the coming five years treasury shares up to a total of 10% of the outstanding share capital at the time of the resolution. In August 2019, the Board of Directors resolved a multi-year share buyback program beginning on September 1, 2019 and with a term ending no later than May 11, 2021. During this period, a maximum of 638,362 treasury shares were to be repurchased via the stock exchange. This corresponded to 9.67% of the company's share capital. As part of this buyback program, a total of 53,820 shares were acquired at a price of € 2,298,008.59 in the 2019 and 2020 fiscal years. As of the end of the program on May 11, 2021, a further 37,000 shares had been purchased at a price of € 2,179,555.32.

On June 30, 2020, the Annual General Meeting authorized the company to acquire for the coming five years treasury shares up to a total of 10% of the outstanding share capital at the time of the resolution. At the same time, the existing authorization granted in 2016 was canceled.

The acquisition cost of € 4,892,214.13 for the total of 112,702 shares has been disclosed as a negative item in equity in accordance with IAS 32.33.

Acquired treasury shares have been recognized at cost and deducted from subscribed capital.

The security identification number for the shares is 720 370, ISIN: DE0007203705.

Pending Litigation and Claims for Damages

As part of its ordinary business activities, SNP is confronted with lawsuits and court proceedings. As of the reporting date of June 30, 2021, pending legal disputes mainly relate to proceedings with current and former employees.

The employment law proceedings primarily relate to disputes over termination of employment. SNP reviews these cases in great detail and conducts the proceedings in line with the compliance requirements and taking the litigation risk into account. The legal consequence could include legal defense costs and potentially compensation claims.

As of June 30, 2021, in particular one legal dispute was pending in which compensation claims have been asserted. In these proceedings, SNP is the defendant in a legal dispute involving two former employees whose contracts were terminated after only a short period. The volume of the claim has not yet been determined. The plaintiffs estimate an amount in euros that could run into the upper six-digits. The defendant believes that the claim is unfounded and is vehemently defending against it. Although the proceedings were suspended for a period, evidence is currently being recorded. The hearing is expected to take place during 2021. Provisions had been set up by the reporting date in the amount of the expected future burden.

At the beginning of 2021, another lawsuit was filed by an employee in the USA. The charges include allegations of sexual harassment by a former manager from 2018 to 2020. The company is currently investigating these allegations. The Company has made provisions for expected costs in connection with the litigation. The judicial process is still in its early stages. No orders to direct proceedings have yet been issued. In accordance with IAS 37, further disclosures will not be made since the proceedings are still ongoing.

Events After the Interim Reporting Period

On July 28, 2021, SNP Schneider-Neureither & Partner signed a purchase agreement for 100% of the shares in Datavard AG. At the same time, the Board of Directors resolved to finance a portion of the purchase price by means of a capital increase against a contribution in kind, through partial utilization of the registered authorized capital of the company while excluding the subscription right of the shareholders (Section 4 (1), (5) clause c of the company's articles of incorporation). A cash component of around € 20 million and the issuance of 173,333 new shares by way of a capital increase against a contribution in kind are envisaged as consideration for the purchase of all of the shares in Datavard AG. An independent valuation has confirmed the appropriateness of the overall purchase price. By means of this capital increase against a contribution in kind, the company's share capital will be increased by € 173,333.00 from € 7,212,447.00 to € 7,385,780.00 through the issuance of 173,333 new no-par-value bearer shares. The new shares will be indirectly issued to Gregor Stöckler and two further shareholders of Datavard AG, all three of whom will remain with the firm following the transaction. The shares issued are subject to a 36-month lock-up period. The capital increase and the contribution will come into effect following the entry of the capital increase and its implementation in the commercial register for the company. The cash purchase is to be executed on July 30, 2021.

Datavard is a software and IT consulting firm seated in Heidelberg which specializes in transformations and data management in the SAP landscape. It currently has 179 employees: 121 in Slovakia, 32 in Germany, 15 in the USA and 11 in other countries. In the 2020 fiscal year, the company achieved an overall revenue volume of € 17.6 million and an EBIT figure of € 1.0 million. The company is expected to be initially consolidated as of August 1, 2021.

A purchase price allocation has not yet been carried out because the date of the acquisition was too close to the time these financial statements were prepared. Further disclosures in accordance with IFRS 3 cannot be made because the date of the acquisition was too close to the time these financial statements were prepared.

Other Disclosures

The members of the Board of Directors do not own any share options in accordance with Section 160 (1) (2) and (5) of the German Stock Corporation Act (AktG).

No major changes occurred to contingent liabilities and other financial obligations stated as of December 31, 2020, during the 2021 reporting period.

Heidelberg, Germany, August 6, 2021

The Managing Directors

Michael Eberhardt

Prof. Dr. Heiner Diefenbach

Gregor Stöckler

RESPONSIBILITY STATEMENT

We certify to the best of our knowledge that in accordance with applicable accounting principles for interim financial reporting, the condensed consolidated interim financial statements give a true and fair view of the net assets, financial and earnings position of the Group in accordance with the principles of standard accounting practices and that the business performance, including the result of operations, and the position of the Group are presented in the interim Group management report in a way that gives a true and fair view, and that significant opportunities and risks for the expected performance of the Group for the remainder of the fiscal year are described.

Heidelberg, Germany, August 6, 2021

The Managing Directors

Michael Eberhardt

Prof. Dr. Heiner Diefenbach

Gregor Stöckler

REVIEW REPORT

To SNP Schneider-Neureither & Partner SE, Heidelberg

We have reviewed the condensed interim consolidated financial statements – comprising the income statement, statement of comprehensive income, statement of financial position, cash flow statement, statement of changes in equity and selected explanatory notes – together with the interim group management report of SNP Schneider-Neureither & Partner SE, Heidelberg, for the period from January 1 to June 30, 2021, which are part of the half-year financial report according to § 115 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with those International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company´s management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material aspects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material aspects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor´s report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Nuremberg, August 6, 2021

Rödl & Partner GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Jörg Müller	Christian Landgraf
Wirtschaftsprüfer	Wirtschaftsprüfer

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This half-year financial report is also available in German. The legally binding document is the original German version, which shall prevail in any case of doubt.