

Annual Report 2025



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Consolidated Key Figures

		2025	2024	2023	2022
Incoming orders	(EUR million)	80.6	70.0	63.7	155.8
Revenue	(EUR million)	84.9	95.1	112.6	98.3
EBIT (operating)	(EUR million)	-0.2	2.9	5.6	3.3
EBITDA (IFRS)	(EUR million)	4.0	9.5	13.9	9.7
EBIT (IFRS)	(EUR million)	-5.5	0.5	-2.7	0.8
Consolidated profit/loss (IFRS)	(EUR million)	-5.4	-1.6	-5.7	-1.2
Earnings per share (IFRS)	(EUR)	-0.54	-0.17	-0.63	-0.13
Non-current assets	(EUR million)	49.3	56.8	56.6	64.4
Current assets	(EUR million)	48.4	58.0	46.5	46.1
Equity	(EUR million)	48.7	56.9	54.3	61.8
Equity ratio	(in %)	49.8	49.5	52.7	56.0
Cash and cash equivalents	(EUR million)	6.2	9.3	4.9	6.8
Number of employees (annual average)		390	429	432	395

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

Despite some isolated success and an improvement in indicators, there is no doubt that 2025 posed a tremendous economic challenge for the sectors in which we operate. The depression that settled over customers and competitors at trade fairs at the end of 2024 lingered throughout 2025. It was triggered by a combination of arbitrary tariffs imposed by the USA, ongoing conflict in Europe, and economic and political obstacles in China of which everyone is well aware and which requires no further explanation. The resulting reluctance to invest also impacted Softing's business.

We kept our operations moving forward by introducing a series of initiatives and continuing our CORE efficiency program, and successfully laid a foundation for emerging stronger from this challenging economic situation in the medium and long term. Initially, however, our revenue declined by more than 10% from around EUR 95 million in the previous year to just under EUR 85 million in 2025. Despite cost reductions, operating EBIT was slightly negative at EUR -0.2 million, down from a figure of EUR 2.9 million in the previous year. Capitalization fell by EUR 3.2 million to reduce the level of future risk, which initially weighed heavily on EBIT in 2025.

While revenue and incoming orders dropped sharply in the first half of the year, these figures rallied in the latter quarters of the year, and we expected this to result in a positive operating EBIT right to the end of the year. However, the deferral of high-margin licensing revenues to 2026 meant we were unable to achieve this goal in 2025. Nevertheless, positive signs clearly pointed to a turnaround. Incoming orders, a key early indicator of future revenue performance, gained considerable momentum in the second half of 2025, rising by an impressive 15% to EUR 81 million after EUR 70 million in the previous year.

Our strategic priorities were to sharpen our focus on our core business and reduce the amount of borrowed funds we use. After spending many years building up our geared motors business, we withdrew from this sector by selling Softing Italia. Any Italian employees whose work is relevant to Softing Industrial's core products were transferred into a new company, and all orders and shipping for customers in southern Europe are now processed centrally from Germany. The sale removes several million euros of low-margin



revenue from our balance sheet and allows our employees to focus exclusively on our strategic core products. The acquisition of DELTA LOGIC also relates entirely to the core business in our Industrial segment. At the same time, we reduced the amount of borrowed funds we use to around EUR 12 million by repaying EUR 4.3 million in bank loans. We are planning to further reduce our borrowings significantly into the single-digit-million-euro range during the current year. In addition to lowering our financing costs, this will boost our equity ratio, enhance our resilience and give us greater financial leeway.

The reluctance to invest was particularly evident among our customers in the Industrial segment. This trend affected both factory automation and a process industry suffering from the effects of high energy prices, and was as pronounced in Europe as in North America. Although incoming orders showed signs of recovery in the second half of the year, this resulted in revenue of just EUR 47.5 million in 2025 after EUR 60.8 million in the previous year. As a result of this drastic decline, and despite our cost reduction measures, operating EBIT dropped from EUR 4.3 million in the previous year to EUR 1.0 million in 2025.

The product business in the Automotive segment delivered a highly encouraging performance to fully defy wider industry trends, with long-term major projects and a stable business with software leasing models helping revenue in the segment to rise further despite sharp declines in job-specific engineering services. Revenue stood at EUR 27.2 million, up from EUR 26.0 million in the previous year and EUR 23 million in 2023. Operating EBIT in the core business rose significantly; however, this figure was limited to EUR 1.0 million after only breaking even in the previous year because of adverse impacts in the engineering and telematics businesses. Without these adverse impacts, operating EBIT would have been almost twice as high due to the high-margin product business.

Business in the IT Networks segment improved compared to the previous year but remained clearly unsatisfactory. Revenue rose from EUR 5.3 million to EUR 5.7 million, while operating EBIT reached EUR –2.4 million after EUR –2.9 million in the previous year. Operating EBIT was adversely impacted by downstream work on our new product WireXpert MP as well as general restraint in purchasing across the market.

We have a number of plans for the current year. In the Industrial segment, the SDEX Suite and our new product siAccess offer two powerful software solutions for exchanging data between the shop floor and IT. These products are attracting significant customer interest and offer considerable growth potential with high-margin software licenses. Alongside the latest innovations for OEM customers, our subsidiary Softing Inc. will launch several of its own new products this year, and we expect this to boost revenue by around 20% this year.

In the Automotive segment, we are experiencing a jump in engineering orders for individual test installations that contrasts sharply with the gloomy company news coming from automotive manufacturers. We see this as a backlog effect caused by the fact that many companies refrained from addressing their development needs last year for economic reasons. Our most powerful automotive software package, the Diagnostic Tool Set, will be given additional functionality this year at the insistence of our key customers. The aim of this is not only to embed ourselves deeper with our core customers but also to displace some

of our competitors' products in the market. We will use the expertise in the parameterization of production control units that we have developed in recent years to handle orders from customers outside the passenger car production sector, broadening our customer base and reducing our dependence on an industry that is under pressure globally. Our TDX software package equipped with highly scalable cloud technology will also play a major role.

The IT Networks segment made valuable customer contacts at the recent Light + Building trade fair in Frankfurt. In 2026, our devices will be equipped with new features to test IT cabling and connections to cloud-based databases that will open up new customer segments. At the same time, we will exploit potential for additional efficiency improvements to our internal structure.

Economically speaking, we do not expect any political support on either a national or international level in the current year, and will be happy enough if we do not have any further pressure heaped on us. As Putin's war in Ukraine drags on, the fact that a US administration so obviously drunk on the success of its brief military operation in Venezuela has chosen to let itself be dragged into a far more complex conflict in the Middle East without any strategic vision or careful preparation is weighing heavily on economies around the globe once again. These decisions are devouring tremendous sums of money and raising energy costs for the heavily indebted USA. Companies will likely have to prepare themselves to navigate a volatile economic environment entirely on their own for the rest of the 2020s. No tailwinds are expected; in fact, lower headwinds alone would be a blessing.

As a result, any planning and forecasting is still fraught with considerable uncertainty. Even after accounting for the roughly EUR 4 million shortfall in revenue from the sale of our Italian subsidiary, based on conservative planning we still expect the Softing Group's revenue to reach EUR 80 to 85 million owing to our improvements and efficiency enhancements. We anticipate operating EBIT within a range of EUR 3.0 to 4.0 million, with EBIT of EUR -0.5 to 0.5 million. These plans assume that the economy develops without any additional significant disruption.

We hope you will continue traveling with us as we strive to reach our goals.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'W. Trier', with a stylized flourish at the end.

Dr. Wolfgang Trier
(Chief Executive Officer)

Softing Shares

KEY DATA OF SOFTING SHARES

ISIN/WKN	DE0005178008/517800
Super sector	Information Technology (IT)
Sector	Software
Subsector	IT Services
Ticker symbol	SYT
Bloomberg/Reuters	SYT GR/SYTG
Trading segment	Prime Standard, Official trading, EU-regulated market
Stock exchanges	XETRA, Frankfurt, Stuttgart, Munich, Hamburg, Düsseldorf, Berlin, Bremen, Tradegate
Initial listing (IPO)	May 16, 2000
Indices	Prime All Share Performance Index
Share class	No-par bearer ordinary share with a notional value of EUR 1.00 per share
Share capital	EUR 9,925,881
Authorized Capital	EUR 4,962,940 until June 17, 2030
Contingent Capital	EUR 4,962,940 until June 17, 2030
Designated sponsors	ICF Bank AG Wertpapierhandelsbank
Research coverage	M.M. Warburg & CO (AG & CO.) KGaA Warburg Research

EQUITY MARKETS IN 2025

The DAX continued its strong performance of recent years to rise by 23 percent in 2025. Germany's leading index initially climbed from one record high to the next until April, when US President Donald Trump's tariffs caused it to fall back before continuing its rally in May. The DAX largely moved sideways in the second half of the year. The index's biggest winner by far was Rheinmetall, which surged by almost 150 percent in 2025, followed by Siemens Energy and Commerzbank. Symrise recorded the biggest losses, while Adidas and Beiersdorf also moved noticeably downwards.

SOFTING SHARES

Softing's shares proved volatile in 2025 and were unable to track the wider stock market trend. They began the year at EUR 3.16, ended January at EUR 2.90 and rose to EUR 4.04 by the end of March, before dropping again to EUR 2.86 on May 14. After moving up and down a few times, Softing's shares reached their annual high of EUR 4.14 on 29 August. The impact of various global crises and the economic situation in Germany left their mark on Softing AG over the course of 2025, which was eventually reflected in the share price as well. From October, the price of Softing shares began moving resolutely in one direction, dropping to an annual low of EUR 2.58 on 9 December. The shares

were trading at EUR 2.62 at year-end on December 30. Since then, Softing shares have recovered in small steps and are currently trading at EUR 2.82 (March 17, 2026). At the December 31, 2025 reporting date, the market capitalization of Softing AG was EUR 26.0 million, compared with the previous year's figure of EUR 30.4 million. The share capital of Softing AG is EUR 9,925,881 (previous year: EUR 9,925,881), divided into the same number of no-par-value shares.

During the reporting period, the average daily trading volume of Softing shares was 6,576 shares (Xetra, floor trading and other), up 44% on the prior-year figure of 4,564 shares. Softing supports the liquidity of its shares by using two designated sponsors, ICF Bank AG Wertpapierhandelsbank and M.M. Warburg & CO (AG & CO.) KGaA.

EARNINGS PER SHARE

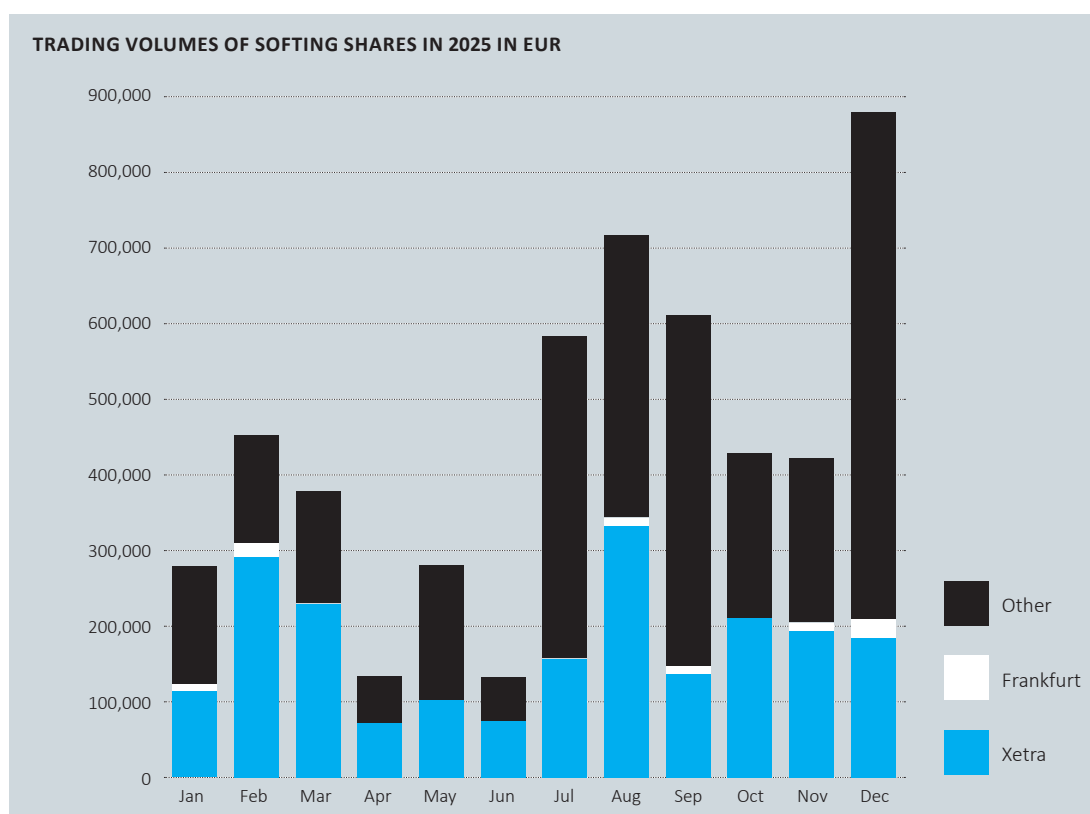
Earnings per share (EPS) were EUR –0.58 in 2025, compared with EUR –0.17 in the previous year. Softing AG calculates earnings per share in accordance with IAS 33 on the basis of the average number of shares outstanding.

GENERAL SHAREHOLDERS' MEETING RESOLVES NOT TO DISTRIBUTE A DIVIDEND

On June 18, 2025, the General Shareholders' Meeting of Softing AG resolved not to distribute a dividend due to the lack of earnings seen in the 2024 financial year.

SHAREHOLDER STRUCTURE

As far as the Company is aware, Mr. Gerhard Hönig, is the single largest investor in Softing's 9,925,881 shares with 2,511,642 shares (25.30%).



Further major shareholders are Mr. Rudolf Noser with 1,990,404 shares (20.05%) and Mr. Alois Widmann, Vaduz, Principality of Liechtenstein, with 1,450,000 shares (14.98%), followed by a number of institutional investors and several private anchor investors. The remaining shares are in free float.

ANALYST RECOMMENDATIONS

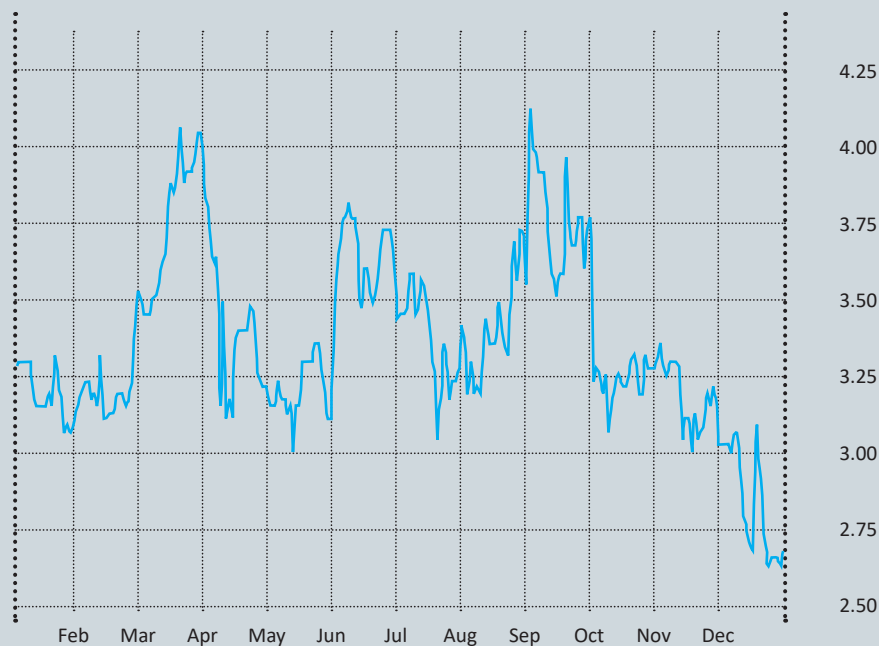
Warburg Research has analyzed the Softing shares regularly for years in research reports and has published five studies and updates on the shares in 2025. The most recent update of November 17, 2025 continues to recommend buying the shares and states a price target of EUR 5.25. Information about analysts' reports on Softing shares is available at www.softing.com under Investor, News & Publications, Research. The Press & Interviews section contains information about the growth prospects of the Softing Group published in a variety of financial newspapers and magazines such as

4investors, Börsengeflüster, Börse Online, Plusvisionen, Wallstreet Online, EffektenSpiegel and others.

CAPITAL MARKET COMMUNICATIONS

Investor relations are a key concern of the Group. To continuously ensure the necessary attention and attractiveness on the capital markets, Softing in 2025 participated in investor conferences, such as the German Equity Forum held in Frankfurt am Main in November. In the current year 2026, Softing will again take part in selected analyst conferences to provide ongoing support to investors. The activities in financial communications were complemented by numerous meetings with institutional and private investors as well as representatives of the press. On the Company's website, investors can find relevant information on the Softing shares (Investor section) and about the Company.

SOFTING SHARE PRICE FROM JANUARY 2, 2025 TO DECEMBER 31, 2025 IN EUR (XETRA)



Combined Management Report of Softing AG and the Softing Group for the 2025 Financial Year

FUNDAMENTAL INFORMATION ABOUT THE COMPANY AND THE GROUP

BUSINESS MODEL

The Softing Group's Business Model

The Softing Group is an established international software and systems house in three segments: Industrial, Automotive and IT Networks. The Company develops and markets complex, high-quality software, hardware and complete system solutions. Hardware prototypes are developed by Softing itself; production takes place externally.

Softing's Executive Board is of the opinion that through its Industrial segment the Company is a leading provider worldwide of industrial communications solutions and products for the manufacturing and process industry. The products are tailored to the requirements of system and device manufacturers, machinery and plant engineers as well as end users, and they are known for being extremely user-friendly and offering functional advantages. It focuses on components and tools for fieldbus systems and industrial control systems, as well as on solutions for production automation.

Diagnostics, measurement and testing, the core topics covered by Softing's Automotive segment, represent key technologies in automotive electronics as well as such closely related areas in electronics as the commercial vehicle or agricultural machinery industry. The segment's range of products and services encompasses hardware and software, customized solutions as well as on-site consulting and engineering. Softing specializes in the entire life cycle of electronic control units and systems – from development to production all the way to services. Development work in Automotive is focused on standardization. Softing is an active

member in the major standards bodies for automotive electronics such as ASAM and ISO. With the acquisition of GlobalmatIX AG, remote data transmission has taken on a new dimension for the Group in recent years and was brought to market maturity.

The IT Networks segment is dedicated to testing, qualifying and certifying cabling in IT systems based on worldwide technological standards. Customers use IT Networks' measuring devices for copper, fiber optic and WiFi networks to optimize their daily work processes and create security in data exchange.

Consulting, analyses, studies and training round out the range of services offered by all three operating segments. Softing primarily offers its services and products to the European and North American markets. But the Asian markets such as India, Japan and Korea are becoming more and more important.

Presentation of the Segments

Segmentation of the Softing Group is based on its internal reporting and organizational structure, taking into account the different risks and income structures of each individual division. Segmentation by divisions entails allocating Softing's activities to the Automotive, Industrial, IT Networks and Other segments. Please see the section on segment reporting in the notes to the consolidated financial statements for further details as well as quantitative disclosures on the Softing Group's segments.

The Group's Business Model

Industrial Segment

Softing Industrial Automation GmbH

Softing Industrial Automation GmbH, domiciled in Haar near Munich, in the opinion of the Executive Board is a leading provider worldwide of industrial communications solutions and products for the manufacturing and the process industry. The products are tailored to the requirements of system and device manufacturers, machinery and plant engineers or end users, and they are known for being user-friendly and offering functional advantages. Shaped by well over 40 years of expertise and experience in software and embedded engineering, Softing Industrial Automation and its employees today benefit from a strong Softing brand that is renowned for the excellence of its industrial communications solutions.

The ongoing trend towards all-pervasive digitalization marked by a strong focus on IoT and IIoT ("Industrial Internet of Things") not only strengthens Softing's market position but drives solid demand for the Company's products and services that target applications both at existing manufacturing sites and new production facilities.

In 2025, Softing Industrial Automation GmbH acquired 100% of shares in DELTA LOGIC Automatisierungstechnik GmbH, based in Schwäbisch Gmünd. DELTA LOGIC adds comprehensive expertise in communication between PC-based systems and programmable logic controllers (PLCs) to the Softing Group. It also produces high-performing software based on OPC Unified Architecture (OPC UA), the new leading technology for cross-system data exchange between products from different

manufacturers. Both of these business lines ideally complement Softing Industrial's strategic core business.

Softing Italia s.r.l.

Softing Italia is a subsidiary of Softing Industrial Automation GmbH until June 30, 2025 and supported customers in the manufacturing and process industries locally in Italy and the Southern Balkans. This business was sold in 2025, as large parts of its business model did not align with Softing Industrial Automation GmbH's core business. The portions aligning with the core business have been managed directly from Germany since mid-2025.

Softing Industrial Automation s.r.l.

The newly founded Softing Industrial Automation s.r.l., headquartered in Merano, Italy, provides a legal and organizational framework for the Softing Group's sales and marketing activities in Italy.

Softing Inc.

Online Development Inc. and Softing Inc. (both domiciled in Knoxville, TN) were merged effective January 1, 2025 and since that day have operated as Softing Inc. domiciled in Knoxville, TN. Softing Inc. organizationally is a subsidiary of Softing North America Holding Inc domiciled in Delaware. A leading Original Design Manufacturer (ODM) for almost 30 years in the opinion of the Executive Board, Softing Inc. offers a portfolio of hardware and software products that supports a large number of industrial market segments. Major brand manufacturers use the Company's wealth of expertise in industrial data processing and communication to enhance the market launch of both innovative and proven technologies. As a sales company, Softing Inc. also continues to serve the North American

market with products for industrial automation and IT infrastructure diagnostics. Softing Inc. thus manages the majority of Softing's product business in North America.

Buxbaum Automation GmbH

The sales office Buxbaum Automation GmbH, Eisenstadt, Austria, serves customers in the manufacturing and process industries locally in Austria and some neighboring countries.

IT Networks Segment

Softing IT Networks GmbH and Softing Singapore Pte. Ltd.

Softing IT Networks GmbH, domiciled in Haar, near Munich, Germany, provides IT network diagnostic equipment, which is used in office installations, industrial automation and data centers. Softing Singapore, domiciled in Singapore, supplies test and measuring devices for copper, glass fiber and WiFi data networks. This includes both the development and manufacture of ultra-high performance products in this field and accessories to support sales activities. Apart from managing sales and distribution in Asia, Softing Singapore provides technical support and calibration services for the products offered.

Automotive Segment

Softing Automotive Electronics GmbH and Softing Engineering & Solutions GmbH

Softing Automotive Electronics GmbH, domiciled in Haar near Munich, Germany, offers products and services for diagnostics and test automation. The comprehensive process-based approach of the Softing solutions enhances quality and reliability in control unit communications. In the opinion of the Executive Board, Softing holds a leading position in the market for diagnostic and test systems in the field of automotive electronics. Automobile manufacturers and system and control unit suppliers around the world rely on Softing's proven hardware and software tools and solutions. Softing Engineering & Solutions GmbH domiciled

in Kirchentellinsfurt organizationally is a subsidiary of Softing Automotive Electronics GmbH. Softing has successfully engaged in the field of automotive test solutions for more than 20 years and offers extensive expert knowledge on every aspect of automated testing of automotive electronics. The Company has already implemented functional tests and test designs for many control units used in motor vehicles. To offer the best possible support, Softing Engineering & Solutions GmbH provides high-quality services directly on customers' premises if required. Consulting and engineering services focused on the Company's core competence – diagnostics, measurement and testing – are rendered to customers. Its well-trained staff in some cases work directly on site. Establishing close links between all important participants is a hallmark of the approach of Softing Engineering & Solutions GmbH and plays a decisive role in the success of its projects. The products of Softing Messtechnik (SMT) also cover the field of mobile and stationary data logging systems.

Softing plans to merge both entities in 2026 to create an efficient organization operating in the automotive market.

Globalmatix AG

Globalmatix AG domiciled in Liechtenstein is a mobile virtual network operator (MVNO) offering mobile data communications for vehicles and machinery in Europe and North America where such technology is needed in the areas of (semi-) autonomous driving and other connected services for vehicles and machinery. Globalmatix supports its customers in managing their fleets more efficiently. As Globalmatix offers not only the necessary hardware, but also ongoing data analysis and data collection, Globalmatix generates recurring service revenue in addition to device revenue as its customer base grows. Globalmatix Inc. was merged into Softing Inc. as part of the consolidation of Softing's US business.

Other Segment

Softing Services GmbH

Softing Services GmbH, domiciled in Haar near Munich, Germany, provides services for Softing AG's operating companies.

SoftingROM s.r.l.

The subsidiary SoftingROM s.r.l. (SoftingROM), which is domiciled in Cluj, Romania, is a subsidiary of Softing Services GmbH. SoftingROM forms an important pool of IT specialists for complex development tasks within the Softing Group and is a strategically important part of the Softing Group.

Softing S.A.R.L.

Softing S.A.R.L., domiciled in Paris, France, provides the legal and organizational framework for the sales and marketing activities of the Softing Group in France.

Softing Electronic Science & Technology (Shanghai) Co., Ltd.

Softing Services GmbH and Beijing Windhill Technology Co., Ltd. operate a joint venture concerning the marketing of Softing Group products in the Chinese market.

Softing North America Holding Inc., Delaware/USA

Softing North America Holding Inc. is the central holding company for the North American subsidiaries.

Business Model of Softing AG

Softing AG acts as a management holding company for the Softing Group. It generates revenue from invoicing for management services, legal assistance and quality management services provided to the subsidiaries. Beyond this, the business model is limited to the management of the equity investments.

INTERNAL MANAGEMENT SYSTEM

The Softing Group uses key performance indicators (KPIs) to manage its business; these KPIs include consolidated revenue; earnings before interest and taxes (EBIT), operating EBIT (EBIT adjusted for capitalized development services and their amortization as well as the effects of purchase price allocation), which is derived from EBIT.

Non-financial Key Performance Indicators

Employee expertise, qualifications, motivation and satisfaction are among the most important resources for the Softing Group's sustained success as a technology and development company. The Group therefore attaches particular importance to its employees and their training. The knowledge, skills, continuing development and dedication of its employees are essential ingredients in the Softing Group's past and future success. The Group therefore sees employee turnover as an important non-financial performance indicator and endeavors to keep it below 10% where possible.

Softing AG

On account of its business model, internal management at Softing AG is based mainly on the profits or losses under profit transfer agreements and dividends of Group companies. By managing the subsidiaries as explained above, Softing AG also manages the profits or losses under profit transfer agreements in the parent company itself.

Research and Product Development

For years, the Softing Group has invested a large portion of the cash generated by its revenue in research and development. In total, the Softing Group invested EUR 18.0 million (previous year: EUR 20.1 million) in the development of new products and the enhancement of existing ones in connection with customer projects. This corresponds to an investment ratio (ratio of development costs to revenue) of 21.1% (previous year: 21.2%). The Softing Group capitalized 7.1% (previous year: 19.4%) of its development costs.

In the past financial year, amortization of EUR 4.8 million (previous year: EUR 4.6 million) and impairment losses of EUR 0.0 million (previous year: EUR 0.0 million) of capitalized development were recognized.

At year-end, 225 employees were engaged in research and development (previous year: 251). Softing AG itself is not engaged in any research and development activities. These take place exclusively at the operating segments. The focus areas in 2025 are shown below:

Industrial Segment

The Industrial segment marked another major milestone in its strategic development during the 2025 financial year by launching the SDEX Suite. This platform for industrial connectivity and shop floor data integration is designed to be a long-term growth driver and addresses key demands associated with industrial digitalization and IIoT applications. The SDEX Suite combines OPC UA, MQTT and Edge technologies and integrates existing Softing solutions including uaGate, edgeGate, edgeConnector, edgeAggregator and the Secure Integration Server (SIS) into one standardized platform for secure data exchange between the shop floor and IT. The platform was developed with a focus on interoperability, scalability and IT security and meets stringent industrial security requirements. Its modular software architecture allows for flexible delivery models, shortens development and time to market, and provides a basis for increasingly standardized software portfolios. During the year under review, Softing also made targeted

investments in its cybersecurity architecture to meet increasing regulatory requirements and address the growing risks of IT/OT convergence. The Group laid further foundations for its continuing technological and strategic development by completing the acquisition of DELTA LOGIC in April 2025. The business was integrated as planned and expands the Softing portfolio in the areas of automation software and customer-specific engineering services in particular.

IT Networks Segment

The IT Networks segment partly focused on product maintenance and improvements to the WireXpert MP product family that were rolled out in mid-2025. The new XpertCentral software platform was unveiled in early 2026. It is initially only available for the NetXpert series and will be rolled out to the WireXpert and LinkXpert series during the current year. The LinkXpert series was also completely overhauled and equipped with an icon-based graphical user interface.

Automotive Segment

The focus in 2025 was on integrating the new SOVD standard. Softing also started development work on the next-generation VCI (Vehicle Communication Interface) and further enhanced the Smart Vehicle Interface (SVI), a high-performance platform for modern control unit communication. The next-generation TDX, a highly scalable cloud technology that permits flexible integration with other customer backend systems, was equipped with new features in 2025 and prepared for applications in the production environment.

REPORT ON ECONOMIC POSITION

MACROECONOMIC AND SECTOR-SPECIFIC ENVIRONMENT IN 2025

According to the Kiel Institute for the World Economy, the German economy stabilized at a low level in 2025. While expansive fiscal policy is likely to set the tone in the coming year, gross domestic product (GDP) growth rates for the next two years mask poor economic conditions. Apart from fiscal stimulus and a higher number of business days, underlying economic momentum will remain weak in the near future. There is less scope for economic recovery than macroeconomic capacity utilization indicators currently suggest. Low utilization, especially in the manufacturing sector, likely reflects declining competitiveness and will lead to a further reduction in production capacities. So far, companies in particular have shown no intention of significantly increasing investment in Germany. German exporters will continue to lose global market share, even if the current period of falling exports comes to an end. All in all, GDP is set to rise from 0.1% in the year under review to 1.0% in 2026 (autumn forecast: 1.3%) and 1.3% in 2027 (autumn forecast: 1.2%). (Source: Kiel Economic Report No. 129, 2025/Q4)

According to the German Electro and Digital Industry Association ZVEI, the business climate in the German electrical and electronic manufacturing industry stagnated in December 2025. On the one hand, businesses had a slightly better view of their current situation than in the previous month. However, general business expectations deteriorated slightly and tipped back into negative territory overall, with 19% of firms in this sector rating their economic situation as good in December, while 55% said their situation was stable and 26% assessed it as poor. Looking six months ahead, 17% of electrical firms expected business to pick up, while 18% envisaged a decline in activity. This means that almost two thirds (65%) anticipated unchanging volumes. More specific export expectations also lost a little ground in December, with the balance of companies expecting to make

more or fewer deliveries abroad in the next three months declining from +6 to +5 percentage points compared to November. (Source: ZVEI Business Cycle Report January 2026, www.zvei.org)

COURSE OF BUSINESS

The impact of global crises and, in particular, the economic situation in Germany left their mark on business performance in 2025. Germany's persistently sluggish economy is affecting all of our business segments, while the instability caused by the change of government in the USA continued to create uncertainty among customers in international markets.

The Softing Group generated revenue of EUR 84.9 million in the 2025 financial year (previous year: EUR 95.1 million), a decline of 10.7%. This drop is largely attributable to lower revenue in the USA and the disposal of Softing Italia s.r.l. The postponement of high-volume orders is also responsible for this deviation from the previous year's forecast (EUR 90 million to EUR 95 million). The updated guidance issued in September 2025 (EUR 85 million to EUR 90 million) was essentially met. Incoming orders came to EUR 80.6 million after EUR 70.0 million in the previous year. Orders on hand amount to EUR 17.9 million as of December 31, 2025 (previous year: EUR 21.6 million).

EBITDA amounted to EUR 4.0 million in the year under review (previous year: EUR 9.5 million), and the EBITDA margin was 4.7% (previous year: 10.0%).

Operating EBIT (EBIT adjusted for capitalized development services) of EUR 1.3 million and amortization of EUR 4.8 million on these as well as effects from purchase price allocation in the amount of EUR 1.9 million) in 2025 totaled EUR -0.2 million (previous year: EUR 2.9 million). Softing was unable to meet the updated guidance published in the quarterly report as of September 30, 2025,

which assumed a strong final quarter. This was due to a further deterioration in the market environment and the postponement of deliveries beyond the end of the year.

EBIT in the 2025 financial year was EUR –5.5 million (previous year: EUR 0.5 million). EBIT for the 2025 financial year was mainly impacted by the net effect of EUR 3.5 million between own work capitalized and its amortization from the capitalization of previous years. Despite reducing personnel costs and other operating expenses, Softing was unable to fully offset the EUR 7.1 million drop in gross profit.

The financial result was EUR –0.9 million and primarily included interest expense on loans taken out and interest expense from the accounting for leases (previous year: EUR –1.4 million).

Net tax income came to EUR 1.1 million after EUR –0.7 million in the previous year. The main portion of the tax impact arose from the creation of deferred tax assets from the losses in Germany.

Overall, this resulted in consolidated loss after interest and taxes of EUR –5.4 million (previous year: EUR –1.6 million).

Segment development was as follows:

Industrial Segment

Demand for industrial products was very restrained in 2025, both in the US and on European markets. While Germany still had demonstrated a certain degree of resilience in 2024, that resilience in 2025 gave way to the general economic downturn in Germany too. Demand in the US fell further, driven by political and economic factors.

The Industrial segment generated revenue of EUR 47.5 million (previous year: EUR 60.8 million). EBITDA totaled EUR 2.0 million (previous year: EUR 6.7 million). EBIT amounted to EUR –0.7 million after EUR 3.0 million in the previous year. The

segment's operating result fell to EUR 1.0 million after EUR 4.3 million in 2024.

Automotive Segment

The segment successfully bucked the general trend of the economic downturn seen in this industry in 2025. New products and services allowed the segment to once again expand its customer base for diagnostic and testing solutions and increase the proportion of business done with software leasing models. Overall, the core areas of the Automotive segment continued to a positive contribution to EBIT. However, increased depreciation/amortization and reluctance in the telematics sector continued to significantly impact EBIT. EBIT fell from EUR 0.6 million to EUR –0.6 million in the financial year now ended.

The Automotive segment's revenue increased by 4.6% overall from EUR 26.0 million to EUR 27.2 million, producing EBITDA of EUR 3.4 million after EUR 4.2 million in the previous year, while operating EBIT improved from EUR 0.0 million to EUR 1.0 million in financial year 2025.

IT Networks Segment

Revenue in the IT Networks segment increased from EUR 5.3 million to EUR 5.7 million but higher costs for the market launch of the new core product group WireXpert weighed on earnings. The segment generated EBITDA of EUR –1.9 million (previous year: EUR –2.5 million) and EBIT of EUR –3.4 million (previous year: EUR –3.8 million). Operating EBIT amounted to EUR –2.4 million after EUR –2.9 million in the previous year.

Course of Business of Softing AG

In financial year 2025, there was a net loss of EUR –7.9 million (previous year: EUR –0.7 million). Earnings deteriorated primarily due to the write-down of a loan to affiliated companies with an effect of EUR –5.8 million and the write-down of accumulated interest receivables amounting to EUR 0.9 million due to what is a likely permanent impairment. Write-downs on loans to affiliated

companies extended in US dollars also weighed heavily on earnings. The foreign currency measurement effect as of December 31, 2025 came to EUR –1.3 million.

Results of Operations of the Softing Group

The Group's primary financial key performance indicators are revenue, operating EBIT and EBIT.

In the past financial year, consolidated revenue fell by EUR 10.2 million to EUR 84.9 million, a decrease of 10.7%. Own work capitalized (product developments) was EUR 1.3 million, down 66.7% on the previous year's level. The share of own work capitalized as a percentage of consolidated revenue fell from 4.1% to 1.5% in the 2025 financial year.

The Group's expense items developed as follows:	2025 EUR million	2024 EUR million
Cost of materials	32.7	35.7
Employee benefits costs	38.5	41.4
Depreciation, amortization and impairment losses	9.5	9.0
Other operating expenses	13.3	14.1
Operating expenses	94.0	100.2

Other operating income increased from EUR 1.7 million to EUR 2.3 million. This amount includes grants from participation in research programs of EUR 1.8 million.

Driven by the trend in revenue, cost of materials decreased by EUR 3.0 million to EUR 32.7 million. All told, the cost of materials ratio (cost of materials relative to revenue) was 38.5% (previous year: 37.6%), and gross profit (revenue less cost of materials) decreased from EUR 59.8 million to EUR 52.2 million.

Staff costs fell by 7.0% to EUR 38.5 million. As of the reporting date, the Softing Group had 390 employees (previous year: 429).

Depreciation, amortization and impairment losses on intangible assets, and property, plant and equipment/right-of-use-assets increased from EUR 9.0 million to EUR 9.5 million, driven by higher amortization of own work capitalized.

Other operating expenses decreased from EUR 14.1 million to EUR 13.3 million year-on-year.

A key parameter for evaluating and managing results of operations is earnings before interest and taxes (EBIT) of EUR –5.5 million (previous year: EUR 0.5 million), which was well below the guidance of EUR 0.5 million to EUR 1.0 million issued in the previous year and also did not meet the guidance updated in September 2025 (EUR –1.5 million to EUR –0.5 million). Operating EBIT of EUR –0.2 million (previous year: EUR 2.9 million) was also significantly lower than the previous year's guidance of EUR 3.0 million to EUR 3.5 million. We had noted in the previous year that the guidance was fraught with uncertainty.

This discrepancies were primarily caused by the further deterioration in the economic outlook for Germany and a sharp year-on-year fall in revenue in the USA. A significantly higher proportion of software and license sales in the product mix was not enough to offset the loss in volume due to lower demand in the USA and Germany. This meant fixed costs made up a smaller proportion of costs than planned, which in turn led to considerably lower EBIT than planned.

The interest result and other finance costs amounted to EUR –0.9 million (previous year: EUR –1.4 million) due to higher loan repayments made during the financial year.

Taxes came to EUR 1.1 million (previous year: EUR –0.7 million), mainly comprising deferred tax assets on loss carryforwards and tax expenses incurred in the Automotive segment.

Results of Operations of Softing AG

As a management holding company, Softing AG only generated revenue from performing services for its subsidiaries. These services principally entailed active corporate management of the subsidiaries as well as legal assistance and quality management services. Fixed portions of the costs incurred for these services were charged to the subsidiaries. The costs for general controlling activities were not passed on to the subsidiaries.

Softing AG does not itself operate directly in the market, instead receiving income from equity investments and from profit and loss transfer agreements.

Income from profit transfer and dividends is a key control parameter for Softing AG and constitutes the financial key performance indicator. As in the previous year, these came to EUR 0.8 million, which was within the previous year's forecast range.

Other operating income amounted to EUR 0.0 million (previous year: EUR 0.1 million).

Staff costs fell from EUR 2.7 million to EUR 1.7 million.

Other operating expenses increased by EUR 0.7 million to EUR 1.8 million. This increase was primarily due to the write-down of accumulated interest receivables amounting to EUR 0.9 million triggered by the write-down of a loan to affiliated companies described earlier.

Write-downs on financial assets and securities classified as current assets increased from EUR 0.4 million to EUR 7.1 million. The increase is mainly attributable to the write-down of a loan amounting to EUR 5.8 million and to write-downs in connection with the foreign currency measurement of loans extended in USD. The foreign currency measurement effect was EUR 1.3 million.

Due to slightly lower licensing income, revenue from affiliated companies in 2025 decreased from EUR 3.1 million to EUR 3.0 million.

In the reporting period, no provisions for taxes were recognized for obligations arising from corporation tax and trade tax related to the past financial year (previous year: EUR 0.0 million). This gives earnings before taxes of EUR –7.9 million, which was below the guidance of EUR 0.5 million to EUR 1.0 million issued in the previous year. The main reasons for this were the effects described above arising from the write-down of a loan and the associated interest receivables, as well as effects from foreign currency measurement of the loans extended in USD. The total effect of this came to EUR –8.0 million.

The net loss for the year amounts to EUR –7.9 million (previous year: EUR –0.7 million).

FINANCIAL POSITION

Financial Position of the Softing Group

Financial Management

As part of the Group's financial management, the German subsidiaries are included in a cash pooling system managed by Softing AG. Where deemed necessary, the cash flows of companies doing business in foreign currencies are hedged using conventional forwards.

Capital Structure

The equity of the Softing Group at the end of 2025 stood at EUR 48.7 million (previous year: EUR 56.9 million). The decline is due to the consolidated loss made in 2025.

The equity ratio reached 49.8% (previous year: 49.5%).

Non-current liabilities amounted to EUR 18.2 million (previous year: EUR 24.5 million). The decrease is attributable to loan repayments and lower deferred tax liabilities. Current liabilities fell slightly by EUR 2.8 million to EUR 30.8 million, due mainly to the decrease in trade payables and the repayment of short-term borrowings.

Capital Expenditure

In the past financial year, the Softing Group invested EUR 1.3 million (previous year: EUR 3.9 million) in internally and externally generated intangible assets. Investments in other non-current assets amounted to EUR 1.5 million in 2025 (previous year: EUR 0.9 million), not including the increase in right-of-use-assets pursuant to IFRS 16. Please refer to the Research and Development section for information on investments in the specific segments.

Liquidity

Cash flows from operating activities of EUR 3.9 million (previous year: EUR 7.0 million) were down year-on-year, primarily due to the lower earnings before taxes of EUR -6.5 million (previous year: EUR -0.9 million), combined with changes in working capital.

Funds used for investing activities amounted to EUR 0.2 million (previous year: EUR 4.7 million), comprising mainly investments in new product development and replacement investments. There was also an amount of EUR 0.5 million paid for the acquisition of a subsidiary. The sale of the Italian subsidiary had a positive impact of EUR 1.8 million on cash flows from investing activities.

Cash flows from financing activities amounted to EUR -7.0 million (previous year: EUR 3.1 million). Repayments of short- and long-term bank loans of EUR 5.3 million were made and new short-term loans of EUR 1.0 million were taken out.

The cash available to the Group amounted to EUR 6.2 million at year-end (previous year: EUR 9.3 million).

Financial Position of Softing AG

Capital Structure

Equity fell by 18.1% from EUR 44.2 million to EUR 36.2 million. The decline is mainly due to the withdrawal of EUR 6 million from the free capital reserve and the lower net retained profits.

The equity ratio was 56.0% (previous year: 63.3%).

The decrease in provisions from EUR 3.3 million to EUR 2.8 million is mostly the result of an adjustment of pension provisions and a further decrease in variable remuneration.

Other liabilities rose from EUR 4.7 million to EUR 5.6 million due to wage tax liabilities and wage-related liabilities. Liabilities to banks fell by EUR 4.3 million due to the repayment of a maturing fixed-interest loan and scheduled repayments of existing loans of EUR 2.7 million.

The subsidiaries obtained financing mostly from Softing AG's cash pooling system and its own cash contributions to the operations of subsidiaries not participating in the cash pooling system. A bullet loan of EUR 2.5 million was fully repaid in mid-2025. In 2024, further loans of EUR 6.0 million

were taken out from the Company's main banks, to be repaid as scheduled over the next three years. The non-current portion of these loans amounted to EUR 4.3 million as of December 31, 2025 (previous year: EUR 7.1 million).

Funds at year's end were EUR 3.6 million (previous year: EUR 5.4 million). There are unused credit lines in the amount of EUR 4.6 million (previous year: EUR 5.6 million).

NET ASSETS

Net Assets of the Softing Group

Non-current assets comprise items including intangible assets, goodwill, property, plant, and equipment as well as deferred tax assets, and at the end of 2025 represented 50.5% of total assets (previous year: 49.5%). This was offset by equity and non-current liabilities together representing 68.5% of equity and liabilities (previous year: 70.7%).

Non-current assets were down year-on-year to EUR 49.3 million (previous year: EUR 56.8 million) due to higher amortization of internally generated assets and a decline in property, plant and equipment.

Current assets comprise inventories, trade receivables, and cash and cash equivalents. Current assets decreased from EUR 58.0 million to EUR 48.4 million. This was due to the reduction in bank balances, lower inventories and a decline in trade receivables.

Total assets in the reporting year fell to EUR 97.7 million (previous year: EUR 114.9 million).

Net Assets of Softing AG

The total assets of Softing AG fell by EUR 4.6 million year-on-year to EUR 65.1 million (previous year: EUR 69.7 million). At EUR 22.9 million, equity interests in affiliated companies remained unchanged

year-on-year. Loans to affiliated companies decreased from EUR 27.1 million to EUR 20.0 million. The decrease was due to the write-down of a loan triggered by what is expected to be permanent impairment with an effect of EUR –5.8 million and a EUR –1.3 million effect from the foreign currency measurement of the loans extended in USD as of December 31, 2025.

Bank loans of EUR 4.3 million were repaid in the 2025 financial year. In the course of obtaining these loans, Softing AG agreed to comply with financial covenants entailing an obligation to maintain certain financial ratios. The financial covenants require Softing to maintain a specified equity ratio and not exceed a maximum debt-to-equity ratio for the Group. During the financial year, Softing AG met both covenants.

Cash and cash equivalents decreased to EUR 3.6 million due to repayments of loans.

Receivables from affiliated companies were up from EUR 14.3 million to EUR 18.3 million as a result of an increase in receivables from cash pooling. The write-down of accumulated interest receivables triggered by the write-down of a loan to affiliated companies had an offsetting effect of EUR 0.9 million.

REPORTING ON NON-FINANCIAL PERFORMANCE INDICATORS

In the past financial year, employee turnover rose to 15% at the German companies, which was higher than forecast. This was due to the fact that Softing countered the difficult economic situation in 2025 by moderately reducing its workforce. The offices abroad showed a lower employee turnover of around 10%. In 2026, we expect employee turnover to decline again and return back to the target level of 10%.

OVERALL ASSESSMENT OF THE COURSE OF BUSINESS AND POSITION OF THE SOFTING GROUP AND OF SOFTING AG

The Executive Board of Softing AG considers the course of business and economic position of the Group to be very challenging given the aforementioned impacts, global crises and, in particular, the economic situation in Germany and the uncertainty felt by customers due to tariff issues. In many areas, the Softing Group's products are manufactured in its sales markets, i.e., the European Union and USA. This cushions the impact of erratic and inflationary tariffs. The cost of tariffs for products entering the USA is passed on to customers where necessary. Some products earmarked for resale via an internal sales organization may also be impacted by escalations in tariff policy but Softing may only be able to partially offset this impact by increasing prices. The Group constantly reviews tariff requirements in its day-to-day operations depending on the political situation. Almost all of the Group's export products are currently subject to a tariff rate of 0%. At present, energy, commodity and supply chain risks are still limited, but a politically motivated shortage of memory chips and other electronic components may impact the Softing Group at any time. We manage this risk by increasing our inventories, much as we did during the covid crisis. However, we cannot rule out the possibility that our contract manufacturers' production capabilities will be impacted, resulting in delivery delays.

The difficult economic environment described above resulted in a decrease in revenue of 10.7% from EUR 95.1 million in 2024 to EUR 84.9 million in the financial year now ended. The orders on hand brought forward into the new financial year amount to EUR 17.9 million and are an initial basis for what is a challenging revenue target in 2026 given the difficult macroeconomic situation. For the financial year ended December 31, 2025, the Group is reporting EBIT of EUR –5.5 million (previous year: EUR 0.5 million). The Group's operating EBIT (EBIT adjusted for capitalized development services of EUR 1.3 million and amortization of internally generated and third-party product developments of EUR 4.8 million as well as effects from purchase price allocation in the amount of EUR 1.9 million) amounted to EUR –0.2 million (previous year: EUR 2.9 million). As of December 31, 2025, the Group had net current assets in the amount of EUR 17.0 million. As of December 31, 2025, the Softing Group has cash and cash equivalents of EUR 6.2 million (previous year: EUR 9.3 million), current receivables of EUR 11.8 million (previous year: EUR 13.2 million) and agreed but not yet drawn down credit lines of around EUR 7.2 million (previous year: EUR 10.5 million) at its disposal. This means that the Group has up to EUR 25.2 million (previous year: EUR 33.0 million) in near-cash funds available at short notice to cope with the various continuing economic uncertainties triggered by the volatile global situation. Softing continued to launch new products in 2025 to counteract these economic uncertainties. The Group held positive talks with its banks, with all repayments made on schedule. Softing continues to implement its program to reduce costs and decrease inventories launched in fall 2024 to strengthen its cash flow.

REPORT ON OPPORTUNITIES, RISKS AND FORECASTS

REPORT ON OPPORTUNITIES

The information provided applies to the Softing Group and to Softing AG in equal measure. The opportunities and risks arise in the individual subsidiaries of Softing AG. Due to the profit and loss transfer agreements in place and the investment income generated, these also have a direct effect on the single-entity financial statements of Softing AG, possibly with a time lag compared with IFRS accounting.

Industrial Segment

Demand for automation and digitalization solutions will continue to be driven by long-term structural trends. The main growth drivers are increasingly interconnected production environments, growing demands for efficiency and transparency, and greater use of data-based applications. Softing Industrial addresses these developments by systematically enhancing its platform and software expertise. The SDEX Suite is designed to meet rising demand for interoperable and scalable solutions that integrate traditional automation systems as well as modern cloud and edge architecture. Another growth driver is the ongoing convergence of operational technology (OT) and information technology (IT), resulting in increased demand for integratability, IT security and data availability throughout the entire automation pyramid. In light of this, Softing Industrial continues to invest in cloud connections, edge connectivity and security-related functionality. During the 2025 financial year, these technological enhancements were accompanied by structural initiatives designed to increase efficiency. The Nuremberg site was shut down as planned, and any activities based there were successfully relocated to other sites. This helped the Group to optimize its cost structure and pool its expertise. We also continued to develop our internal IT and system landscape, making improvements to the Salesforce environment and

extensively preparing to introduce a standardized Group-wide SAP ERP system with the aim of improving future transparency, process efficiency and scalability. We refined our international organizational structure and strengthened our presence in France, Spain, India and Italy. Our aim is to create a more centralized, globally focused organization where decisions can be made quickly and resources can be used effectively. We stepped up our international sales, marketing and service collaborations, most notably by expanding our global service organization to ensure global support coverage.

IT Networks Segment

Over the last few years, Softing IT Networks has refreshed its product portfolio and relocated production for its NetXpert and LinkXpert series from the USA to Germany, the latter also granting greater flexibility in addition to much more efficient and reliable delivery routing. While these activities have significantly strengthened the product portfolio's central segment, the lower portfolio segment has gained the CableMaster 210, CableMaster FO and CableMaster FO products, which round off the overall offering here. The strengthening of sales channels for international business as well as the digital presence have been instrumental in raising the international profile of this business unit. In 2026, Softing IT Networks will launch new own-branded products on the market to continue to accommodate new market trends and standards. Softing IT Networks therefore has a robust opportunity pipeline, due to the stated investments and market activities.

Automotive Segment

Softing Automotive, a global technology specialist in the field of onboard and offboard vehicle diagnostics, performed well in 2025 despite a global automotive crisis that prompted many well-known

OEMs to report significant slumps in revenue and EBIT. While this meant that short-time work was temporarily required in several areas of Softing Automotive, our long-term framework agreement with a German premium vehicle manufacturer caused revenue to increase significantly and enabled us to reach our financial targets in this segment.

The Automotive business continues to focus on key strategic clients and its existing customer base. Softing's range of products and services continues to allow our customers to stabilize their processes, minimize defect rates and reach their targets faster. Modular, standards-based products, tailor-made testing and inspection systems that incorporate integration projects via parallel, remote or autonomously operated solutions help customers to achieve their goals.

RISK REPORT

The information provided applies to the Softing Group and to Softing AG in equal measure. The risks arise in the individual subsidiaries of Softing AG. Due to the profit and loss transfer agreements in place and the investment income generated, these also have a direct effect on the single-entity financial statements of Softing AG, possibly with a time lag compared with IFRS accounting. The risks presented affect all segments.

Softing is an internationally operating company involved in industrial automation technology, automotive electronics and network communication. The Company is exposed to a number of risks that are inextricably linked to its entrepreneurial activities.

In particular, this concerns risks resulting from market development, the positioning of products and services, contractual and non-contractual liability, and business processes. The Group's business policy is to best exploit existing business opportunities. It is the task of risk policy to carefully weigh the risks associated with this. Risk management

is therefore an integral component of all business processes and company decisions. The risk management system of the Softing Group and of Softing AG comprises both risks and opportunities in equal measure.

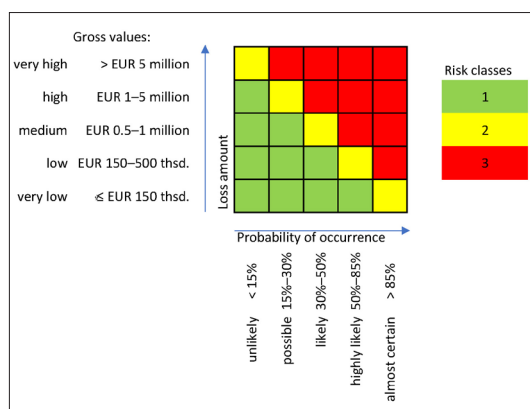
Risk principles are defined by the Executive Board. They include statements on risk strategy, the willingness to take risks and the scope of these principles.

Risk analysis entails assessing identified risks in terms of the probability of their occurring (quantitative dimension) and the potential loss (dimension of intensity). Softing uses the CRISAM risk management software, which applies modern statistical methods (e.g. Monte Carlo simulation) to calculate the impact of losses and thus meets the stricter requirements of IDW AuS 340. Risk assessment is subject to practical limits, however – especially in the area of operating risks – because the number of potential risks is high but, more often than not, the available risk data is incomplete. As a result, subjective risk assessments must be made in many areas exposed to risk because the expenditure for risk management should be reasonable.

Risk-bearing capacity is the maximum level of risk which the Company is able to bear without jeopardizing its going-concern status. This entails a comparison of the aggregate risk with the funds available for risk coverage, the so-called cover funds. The latter comprise the resources available within the scope of the Company's net assets, financial position and results of operations which will be drawn upon to cushion the effects in the event of risks being realized. If the ratio of the cover funds to aggregate risk is not sufficient, a Company's existence might be jeopardized in case of various risks materializing at the same time.

Softing's risk-bearing capacity defined as the sum total of cash and cash equivalents (EUR 6.2 million), receivables (EUR 11.9 million) and credit lines (EUR 7.2 million) totals EUR 25.3 million, with total risks amounting to around EUR 6.2 million.

To be able to assess the risks, they have been divided into several risk classes. The risk class is the product of multiplying the probability of occurrence by the extent of loss:



The Group differentiates between the following risk classes:

- Class 1: Minor risks are insignificant for the Company and no action needs to be taken to mitigate the risk.
- Class 2: The extent of loss in moderate risks is limited and there is a moderate probability of occurrence. There is no immediate need for action. Efficient, effective measures are sufficient to reduce moderate risks or to manage them rapidly in the event of an emergency.
- Class 3: Major risks including potential going-concern risks cause greater loss and/or have a higher probability of occurrence than moderate risks. These risks should be reduced through appropriate controls or process optimization. Where possible, appropriate measures should be taken to reduce the major gross risk to the moderate or minor level of risk. In case of going-concern risks, measures must be taken immediately to reduce the gross risk.

The Group uses a number of control systems to monitor and control its risks. In addition to the CRISAM software, these include a centralized company planning process, among other things. Softing regularly monitor the achievement of its business goals and the risks that are connected to this.

The risks involved in individual business processes were periodically recorded, analyzed and evaluated in the reporting period. The Group also assessed whether individual risks which are of minor importance when viewed in isolation could develop into a risk threatening the Company's existence when combined.

The risk factors mentioned below could have a strong negative impact on the Company's business performance, cash flows and profit or loss. Risks that are believed to be of little relevance to the Group's business at this time are not mentioned.

Market and Sales Risks

Geopolitical uncertainty continues to rise sharply due to Russia's war of destruction in Ukraine, heightened tension over Taiwan, and the USA's shifting foreign policy ambitions. Sanctions adopted against Russia may lead to weaker demand. It is not yet possible to reliably assess the impacts of the Middle East war that began on 28 February 2026. As the Softing Group's customers are primarily based in Western countries, it does not envisage any direct consequences for the Company; however, any escalation of the conflicts could result in energy shortages and a global economic downturn. There is always a risk both of underutilization of capacities and sustaining pressure on realizable revenues, due to factors such as revenue being delayed as a result of weaker demand caused by factors such as cheaper competitor products or dissatisfied customers.

Softing addresses these risks with stricter cost management measures and flexible working hour models so that it can quickly adapt to any changes in demand. Softing also continuously analyzes customer needs and optimizes its sales processes.

Overall, market and sales risk is assigned to risk class 3. If the risk management measures were not effective, this could result in a going-concern risk.

Impairment Risk Associated with Loans to Affiliated Companies (Softing AG)

Softing AG reported loans to subsidiaries in its single-entity financial statements. The main risks arising from loans of financial assets are that the borrower cannot or no longer meet their repayment obligations and/or their creditworthiness deteriorates to such an extent that they can no longer be expected to repay the loan, resulting in the assumption of permanent impairment.

Softing addresses this risk by continuously monitoring the performance of its subsidiaries to ensure that it can respond rapidly where necessary.

Overall, the impairment risk associated with loans is assigned to risk class 3 due to the extent of potential losses; based on current information, the Executive Board believes the probability of occurrence in connection with the loans recognized in the period ended December 31, 2025 to be low.

Operational Risks

In certain areas of the Group's business, both in the Industrial and the Automotive segment, Softing is involved in the complex development projects of customers. These projects entail a certain realization risk regarding the planned budgets and time frames. Any deviations could lead to a deterioration of profit and claims for damages.

Softing addresses with this risk by planning such projects in accordance with a process model defined by its quality management system, and by carefully monitoring project progress with an alarm controlling system. The Group makes continual investments to further improve its high quality standard.

Overall, this risk is assigned to risk class 2.

Personnel Risks

Qualified staff are a material prerequisite for boosting the Company's shareholder value. There is keen competition for highly qualified professionals and executives in the labor market at this time, which means there is a risk that vacant positions may not be refilled and/or that essential roles may not be filled at all. There is also the risk that Softing employees may be poached by other companies.

Softing addresses this risk by conducting its own recruitment activities to recruit new, highly trained personnel; integrate them as best as possible; promote them and establish a long-term collaboration with them. External headhunters are also included in the recruiting process if required. In addition to attractive employment conditions and a modern work environment, Softing also offers its staff targeted training and continued education.

But there is the potential risk that suitable professionals or executives cannot be recruited in the market in due time, and that this might have a negative effect on the Company's results of operations, financial position and net assets.

Overall, this risk is assigned to risk class 2.

Development/Product Risks

The situation on the market is characterized by ever more rapid changes technologies used. This means that there is a danger that acquired know-how may prematurely lose value due to an unexpected market development. There is also a risk that customer requirements or legal requirements cannot be met or can only be met at great expense during development. This may lead to the impairment of capitalized goodwill and development costs and have a negative impact on sales and earnings performance in the long term.

Softing address this risk by actively participating in a large number of national and international working groups, which enables it to recognize technological trends early on and help actively shape them. Softing also analyzes feasibility and the potential market before starting development and continuously monitors projects once development has started.

The automotive parts supplier industry in particular is undergoing a prolonged process of transformation. As in previous years, the Group was unable to completely avoid the effects of these developments in the reporting year, and therefore continues to invest in new development work (especially in telematics) while keeping a close eye on cost levels to increase profitability over the medium to long term.

Should the sector fail to recover over the medium and long term, however, this would create a lasting impact on the level of earnings overall and compromise the development of the Softing Group. While the Group does not believe this to be a likely scenario, the financial repercussions for the Group's results of operations would be considerable if the scenario did occur because it could result in the impairment of goodwill and capitalized development costs.

Overall, development risk is therefore assigned to risk class 2.

Supply Chain Risk

Softing AG relies on the availability of certain electronic components, most notably semiconductor and storage components, when manufacturing its products as part of ordinary business activities. Rising global demand and potential shifts in capacity into other market segments means there is a risk of supply bottlenecks and price increases for individual components. The occurrence of this risk could have an adverse impact on material supplies, production planning and punctual deliveries to customers and create upward cost pressure.

Softing addresses this risk by actively managing its suppliers, diversifying its procurement sources and establishing strategic inventories as well as by continually monitoring the market and adjusting its product and purchasing strategy.

Overall, this risk is assigned to risk class 2.

Financial Risks

Default Risks in the Area of Receivables

Credit risks have not played a significant role in the past. The Group's restrictive credit management process allows it to identify imminent insolvencies faster and thus to counteract them in due time. Together, all of these measures again helped to forestall major defaults on receivables in 2025 despite a subdued economic outlook. Most of the Softing Group's customers are well-known and leading industrial companies.

Refinancing Risks

In the context of any necessary refinancing, there may be a risk of interest rate increases, which could have a negative impact on Softing's earnings. Softing addresses this risk by remaining in constant communication with its banks and continually monitoring interest rate trends.

Risks Arising from Covenants

Softing AG's financing agreements contain covenants. Failing to meet covenants may result in all existing credit and financing lines falling due immediately.

Softing addresses this risk by remaining in constant communication with its banks (quarterly reporting) and notifying them at an early stage in the event of an impending deterioration in contractually agreed covenants.

Risks Arising from Warranty Claims

The Group's products and services are used in the production of industrial goods. Downtime or malfunction could result in warranty claims. Softing reduces this risk by following a careful development process which is tailored to the specific scope of application. Significant residual risks are covered through insurance policies.

Overall, the financial risk is assigned to risk class 2.

Currency Risks

A substantial part of the Group's business activities is located in the USA. In particular, Softing AG has significant foreign currency loans denominated in USD in its single-entity financial statements. This means that currency fluctuations in the USD in particular could have both a positive and a negative impact on the results of operations and net assets of the Group and the parent company.

Softing addresses this risk mainly through natural hedging. The Group only hedges against currency risks in individual cases.

Overall, this risk is assigned to risk class 2.

Use of Financial Instruments

The Group is exposed to a variety of financial risks as a result of its business activities. The aim of risk management is to minimize potential negative effects on the Group's financial position. The Group does not make use of derivative financial instruments. Due to its international scope, the Group is exposed to a currency risk whereby fluctuations in the USD, British pound, Swiss francs and Singapore dollar in particular could have an impact on the assets, liabilities, financial position and results of operations of the Group. The majority of transactions are inherently hedged, as transactions within the euro area are processed by the Group's subsidiaries. The Group considers the residual risks from transactions in foreign currencies to be acceptable, and thus deliberately does not use any currency hedging instruments. The Group can hedge transactions in exceptional cases, for example by entering into short-term foreign currency forwards.

The Group relies on fixed lending rates for long-term loans to secure its financing. No interest rate hedging has been agreed for the existing variable-rate overdraft lines of credit. The Group does not hedge against interest rate fluctuations beyond agreeing fixed interest rates.

The Group does not hold any separate financial instruments to protect against defaults on receivables. The risk of defaults on receivables is low due to the high creditworthiness of the customer base. The Group participates in the reverse factoring program of a major customer in the USA to increase its liquidity further. Under this program, receivables are sold to a reputable bank and the Group receives payment immediately following the acquisition.

Other than the financial instruments described here, the Company does not hold any other financial instruments that are relevant for assessing its situation or expected development.

Compliance Risks

As an international, publicly traded company, Softing operates in a highly regulated environment and is required to comply with an array of laws and regulations including contract law, labor law and environmental law. Softing also partly relies on its suppliers to comply with this legislation. There is the risk that penalties will be imposed on Softing in the event of compliance breaches.

Softing addresses this risk by involving internal and external specialists and insurance companies and continually training its employees on the topic of compliance. Through workshop participation and a series of presentations, the Group ensures that current trends and issues are taken on board and adapted to the situation at Softing.

Overall, this risk is assigned to risk class 1.

Information Security Risks

As in all companies, the smooth functioning of business processes depends on the availability of the IT infrastructure. Attacks from the Internet, as well as other IT failures or damage to the IT infrastructure, pose a serious threat to the Company's ability to function. Softing has taken appropriate measures to protect its IT infrastructure and constantly monitors and reviews their effectiveness. The Group takes the issue of cyber security and the potential widening of hostilities in this area extremely seriously. It has implemented the recommendations issued by authorities, and is currently adjusting them. By coordinating and comparing with other companies to determine its own position. Softing has invested 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. Softing's domestic entities achieved TISAX Level 3 Certification for data security in the automotive sector in December 2024.

Overall, this risk is assessed as a class 1 risk.

Summarized Risk Assessment

In management's view, the risk areas described above currently do not result in acute risks that would jeopardize the Company's existence as a going concern or negatively impact its development. As a general precaution, Softing AG pursues a financing and capital management approach that provides a buffer against sudden unexpected risks. It is not yet possible to conclusively assess the impact of the Ukraine war, the Middle East war and the current customs developments in the USA. The Executive Board ensures that it is familiar at all times with any changes to be able to take action at short notice.

REPORT ON EXPECTED DEVELOPMENTS

German Economy Expected to Record Only Modest Growth in 2026

The German economy is only expected to emerge slowly from its phase of stagnation in 2026. According to the Kiel Institute for the World Economy's winter forecast, while gross domestic product (GDP) is likely to rise slightly again in 2026, no powerful upturn is expected, with the Kiel Institute predicting growth of +1.0% in 2026. The country's economic growth continues to be impacted by structural issues, weak exports and subdued investment activity. The labor market is expected to stabilize gradually after coming under strain in 2025, while inflation is likely to be around the European Central Bank's target at approximately 1.8%. The world economy is also likely to record modest growth in 2026. According to the Kiel Institute's winter forecast, global economic output is predicted to increase by around 3.1% in 2026, having already expanded by most than 3% overall in 2025. The Kiel Institute assumes that global growth will be hampered by weakening momentum in the United States and the euro zone in particular, as well as the Chinese economy's still-sluggish recovery. International trade, the monetary policy of the world's major central banks and the development of global trade amid growing geopolitical tensions remain key factors in the world economy's continuing development. *(Source: Kiel Institute for the World Economy, Winter forecast, December 2025)*

Industrial Segment

Softing Industrial expects the market to remain stable yet subdued in the 2026 financial year amid a persistently volatile macroeconomic environment and ongoing geopolitical and trade uncertainty. The structural initiatives introduced during the year under review, further development of the product portfolio and the strengthening of the international organization provide a strong foundation for the segment's operations.

The further internationalization of the business is a key strategic focus. In addition to Europe and Asia, Softing plans to intensify its efforts in selected target markets such as South America to expand its international reach and reduce its dependence on individual markets. At the same time, we are enhancing the international visibility of the brand by introducing digital communication initiatives, attending industry events and improving the positioning of our service.

On the product side, we are focusing on marketing software-based services in 2026, especially the siAccess and SDEX platforms. We expect market penetration to be gradual due to a persistently mixed picture when it comes to willingness to invest.

We are also aiming to further expand our service business by expanding our internationally scalable consulting, integration and support services as well as continuing to develop service level agreements as a recurring source of income.

We are also focusing on continuing to optimize our organizational and process structures. While we only expect this to have a limited impact on earnings in the short term, these measures will help boost our operating performance in the long term. We maintained consistent cost discipline in 2026 against a backdrop of existing market uncertainty.

Overall, we believe that Softing Industrial is robustly positioned to profit from the trends of industrial automation and digitalization in the long term.

Automotive Segment

Several indicators suggest that the order situation in the automotive sector will improve in 2026. Softing Automotive's customers are once again investing more in development and seeking suppliers of "efficiency-enhancing tools and solutions"

in order to be able to successfully master the technological challenges of the future. The segment is expanding its product portfolio in the area of testing and inspection systems with the help of a strategic partner and is well positioned.

By deploying the Globalmatix telematics solution, we are laying the groundwork for consistently digitalizing our Connected Vehicle to Cloud model for our business clients. One of our major customers is expanding their established European motorhome leasing business into North America and wants to expand their fleet globally over the next few years. They have already begun expanding into the USA and Canada and are planning to do the same in other continents.

IT Networks Segment

The combination of new products and expansion of the distribution area will steadily lead the IT Networks segment towards profit and growth. The production situation and overall availability in this segment has steadily improved in 2025. The year 2026 will be dominated by stabilization and expansion of the sales network. The next new product series will open up a new segment in data network technology and will go on sale at the beginning of the third quarter, further completing the portfolio.

Outlook for the 2026 Financial Year for the Softing Group

Softing's declared goal remains to boost the Group's performance by optimizing market penetration to ensure regional balance in line with our focus. Softing is firmly committed to continuing the pursuit of this goal in 2026. Based on the Softing Group's positioning and customer feedback and the orders on hand brought forward from the previous year, Softing sees good opportunities to generate stable revenue at the prior-year level in financial year 2026. We expect EBIT/operating EBIT to improve due to the cost measures we

have initiated and an optimized product mix with a larger portion of software products. Softing will again face numerous unavoidable uncertainties in 2026 regarding economic developments in Europe as well as in Asia and North America. Softing would not be able to avoid the impact of downturns in the demand markets.

As a leading technology group, Softing must and will work to actively shape technical change going forward. The speed of change continues to increase substantially in all segments. For this reason, Softing plans to use the expertise that its current portfolio and acquisitions provide for the extensive development of new products and the extensive refinement of existing ones in financial year 2026. For 2026, Softing is generally assuming that capitalization of development costs will increase slightly due to a persistently high level of investment in new products. Investment in some product lines will decline due to completions, while new technologies and products will receive a kick-start. We also have opportunities for above-average returns in the existing business, for instance in the process and manufacturing industries, which Softing consolidates in the Industrial segment. We expect strong growth in our own products in the IT Networks segment thanks to new products, which should result in lower fixed costs in this segment. In the Automotive segment, the key factor is landing new projects from major customers, even though these will only have a minimal influence on revenue in the current year. However, they will be the foundation for growth in the years to come. We will lay the foundations for this in 2026. The limitations triggered by the risks already mentioned continue to apply. The economic upheaval in Germany caused by misguided industrial and energy policies, the ongoing war in Ukraine and other current and impending crises will play a major role in the development of our business in 2026 as well as in the medium term.

The persistently rekindling uncertainty over macroeconomic trends and the effects on important customer segments of Softing AG are difficult to estimate. As a result, there remains a high level of uncertainty in the forecast for future business performance, which is severely limiting the ability to make predictions.

This specific environment must be seen in addition to the transformation process in the automotive industry and continues to make it difficult in 2026 to reliably and realistically assess the forecast.

The Executive Board is still planning for a normal procurement situation for electronic components in 2026. Increased demand for memory chips in this area due to developments in artificial intelligence may lead to upheavals in other areas of the electronics industry. Any increase in the potential for conflict or war between China and Taiwan over the coming year would additionally exacerbate the problems encountered in procuring electronic components from this region similar to the covid crisis.

At the Group level, revenue of between EUR 80 million and EUR 85 million is expected due to economic considerations, with performance in the segments anticipated to vary. We also expect the increased uncertainty surrounding our forecast to continue due to weakness in the German market and negative signals worldwide across the different segments. The Executive Board anticipates a considerably improved EBIT for the Group in the range of EUR –0.5 million to EUR 0.5 million. The Executive Board expects operating EBIT to come in between EUR 3.0 million and EUR 4.0 million.

In the case of the non-financial performance indicator, the plan is to maintain the levels attained in the 2025 financial year.

Outlook for the 2026 Financial Year for Softing AG

Softing AG is dependent on the results outlined above.

Based on projected earnings, Softing AG is forecasting income from profit and loss transfer agreements and dividends of between EUR 1.0 million and EUR 1.5 million for the 2026 financial year. Expected earnings before taxes, assuming income from profit and loss transfer agreements and dividends, will range between EUR 1.0 million and EUR 1.5 million.

INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT SYSTEM RELEVANT FOR THE CONSOLIDATED FINANCIAL REPORTING PROCESS

Definitions and Elements of the Softing Group's Internal Control and Risk Management System

The Softing Group's internal control system comprises all principles, procedures and actions required for ensuring the effectiveness, economy and propriety of the Company's financial reporting as well as compliance with material legal requirements.

The internal control system of the Softing Group comprises an internal management and monitoring system.

Monitoring mechanisms that are process-integrated or uninvolved in business processes constitute the elements of the Softing Group's internal monitoring system. Hence automated IT-based process controls besides manual process controls – such as the two-person integrity (TPI) principle – are an integral part of all process-integrated activities.

As part of the internal control system, those aspects of the risk management system that concern financial reporting are focused on the risk of misstatements in the Group's bookkeeping as well as its external reporting system. Besides risk management at the operating level – which also includes risk transfer to insurance companies through insurance policies serving to limit the risk of loss or liability as well as through suitable hedging transactions serving to limit foreign currency risks – the Softing Group's risk management system also comprises early detection as well as management and monitoring of risks, systematically and groupwide. The Softing Group has established a monitoring system pursuant to Section 91 (2) German Stock Corporation Act that is aimed at early detection of risks that might jeopardize the Company's existence in order to ensure systematic early detection of risk throughout the Group. For additional disclosures on the risk management system, please see the section entitled, "Risk Report."

As part of the risk reporting system, the Executive Board is regularly informed about risks. Risks are identified at an early stage and assessed. Risks are reported across all companies, with the risks recorded being listed and evaluated. The Executive Board is responsible for defining appropriate risk management measures. Significant individual risks are recorded independently of the regular cycle and reported without delay.

Use of IT Systems

Accounting transactions are recorded in the single-entity financial statements of the German companies' subsidiaries using IFS's bookkeeping system. Our foreign subsidiaries utilize local providers of bookkeeping systems. All subsidiaries supplement their separate financial statements by additional information using standardized reporting packages that are entered into Softing AG's consolidation system in connection with the preparation of the Group's consolidated financial statements. The system from software manufacturer Lucanet is used as the consolidation system. All consolidation

processes required to prepare the consolidated financial statements of Softing AG – e.g. acquisition accounting, asset and liability accounting, or elimination of expenses and earnings – are generated and documented in the consolidation system.

A state-of-the-art SAP system for the domestic companies and the US subsidiary is expected to go live in 2026.

Specific Risks Related to the Financial Reporting Process

Specific risks related to the Group's financial reporting process may arise from unusual or complex transactions that could be treated erroneously in the accounting systems. Transactions that are not routinely processed also entail inherent risks. Additional risks related to the financial reporting process arise from the latitude that employees must be given in regards to the recognition and measurement of assets and liabilities.

Material Control and Monitoring Activities Aimed at Assuring the Propriety and Reliability of the Financial Reporting Process

All facets of the internal control system that serve to provide a proper and reliable financial reporting process ensure complete and timely recording of all transactions in compliance with all requirements under the law and the Company's Articles of Incorporation. It also assures that inventories are taken in proper fashion and that both assets and liabilities are accurately recognized, measured and shown in the consolidated financial statements. These control activities also serve to ensure that the bookkeeping records provide reliable and plausible information. If errors occur and are identified despite these activities, these are corrected without delay.

The monitoring activities serving to ensure that the financial reporting is proper and reliable also comprise the analysis of transactions and developments using specific analyses of key indicators. The separation of functions related to administration,

execution, accounting and approval – as well as their perception as such by a variety of individuals – limits the possibilities for engaging in intentional acts. Other requirements also exist, as follows. For example, this also ensures that bookkeeping processes are carried out both in the proper period and in full even if the IT systems that the Group companies use for the underlying accounting are changed.

The internal control system also serves to make sure that changes in the Softing Group's economic or legal environment are duly presented and that new or amended statutory requirements concerning the financial reporting process are applied.

The International Financial Reporting Standards (IFRS) represent the uniform accounting policies applied by the domestic and foreign entities included in Softing's consolidated financial statements. Besides general accounting policies, in particular, this concerns requirements related to the statement of financial position, the income statement, the notes, the management report, the statement of cash flows, the statement of comprehensive income, the statement of changes in equity and segment reporting, taking requirements under EU law into account.

Softing's accounting standards also govern concrete formal requirements that the consolidated financial statements must fulfill. They not only determine which companies to include in consolidation, they also fix the components of the reporting packages that the Group companies must prepare in detail. Among other things, these formal requirements serve to ensure the binding utilization of a standardized and complete set of forms.

Softing's accounting standards also contain specific requirements regarding the treatment and settlement of intra-group transactions and the reconciliation of accounts based thereon.

At the Group level, the specific elements of control designed to ensure the propriety and reliability of Group accounting principles comprise analyses and possibly revisions of Group companies' separate financial statements. The centralized execution of impairment tests for the cash generating units from the Group's perspective assures that uniform and standardized measurement criteria are applied. Furthermore, additional data are processed and aggregated at the Group level in regards to external information in both the notes and the management report, including information related to events after the reporting period.

Caveats

The internal control and risk management system makes it possible to record, process and measure all transactions pertaining to the Group as well as their appropriate presentation through the financial reporting process thanks to the Softing Group's organizational, control and monitoring structures.

However, personal discretion, defective controls, criminal acts or other circumstances cannot be precluded by the very nature of the matter at hand and, as a result, may limit the effectiveness and reliability of the internal control and risk management system such that even groupwide application of the systems utilized cannot guarantee with absolute certainty complete, accurate and timely recording of transactions as part of the financial reporting process.

DISCLOSURES IN ACCORDANCE WITH SECTION 289A HGB AND EXPLANATORY REPORT

1. As of December 31, 2025, the share capital of Softing AG was EUR 9,925,881 denominated in the same number of no-par shares, all granting the same rights, specifically voting rights. No shareholder or shareholder group has special rights.
2. Shareholders' voting rights are not restricted by law or the Company's Articles of Incorporation. The voting rights are not limited to a specific number of shares or votes. The Executive Board is not aware of any limitations regarding the voting rights.

The shareholders of Softing AG are not limited by law or the Company's Articles of Incorporation in their decision to purchase or sell shares. To be effective, the purchase or sale of shares does not require the approval of the Company's boards. The Executive Board is not aware of any limitations regarding the assignability of shares.

3. We have been notified of the following direct or indirect equity interests that exceed 10% of the voting rights:

Mr. Alois Widmann notified us on November 5, 2024 in accordance with Section 33 (1) WpHG that his voting share in Softing AG, Haar, Germany, fell below the threshold of 15% on November 5, 2024, and was 14.98% on that date (corresponding to 1,450,000 voting shares). 14.98% of the voting rights (corresponding to 1,450,000 voting shares) must be attributed to Mr. Alois Widmann in accordance with Section 34 (1) sentence 1 no. 6. WpHG

On September 22, 2025, Mr. Gerhard Hönig notified us that he exceeded the threshold of 25% on September 12, 2025. Mr. Gerhard Hönig thus has held an equity interest of 25.30% since September 12, 2025, which corresponds to 2,511,642 voting rights. 0.04% of the voting rights (corresponding to 4,000 voting rights) must be attributed directly to Mr. Gerhard Hönig in accordance with Section 34 (1) sentence 1 no. 6. in conjunction with sentence 2 WpHG. Further voting rights (corresponding to 2,507,642 voting rights) must be attributed indirectly to Mr. Gerhard Hönig via Trier Vermögensverwaltung GmbH & Co. KG in accordance with Section 34 (1) sentence 1 no. 6. in conjunction with sentence 2 WpHG.

Mr. Rudolf Noser, Switzerland, notified us on May 30, 2023 in accordance with Section 33 (1) WpHG that his voting share in Softing AG, Haar, Germany, exceeded the threshold of 3% on April 13, 2023. On December 14, 2023, Mr. Rudolf Noser notified us that he exceeded the threshold of 5% on December 13, 2023. Mr. Rudolf Noser thus has held an equity interest of 5.0016% since December 13, 2023, which corresponds to 455,413 voting rights. These must be attributed to Mr. Rudolf Noser in accordance with Section 34 (1) sentence 1 no. 6. in conjunction with sentence 2 WpHG.

On September 30, 2024, Mr. Rudolf Noser notified us that he exceeded the threshold of 10% on September 25, 2024. Mr. Rudolf Noser thus has held an equity interest of 10.14% since September 25, 2024, which corresponds to 923,000 voting rights. 5.11% of the voting rights (corresponding to 465,413 voting rights) must be attributed directly to Mr. Rudolf Noser in accordance with Section 34 (1) sentence 1 no. 6. in conjunction with sentence 2 WpHG Further voting rights (corresponding to

457,587 voting rights) must be attributed indirectly to Mr. Rudolf Noser via Noser Management AG in accordance with Section 34 (1) sentence 1 no. 6. in conjunction with sentence 2 WpHG.

On November 5, 2024, Mr. Rudolf Noser notified us that he exceeded the threshold of 15% on November 5, 2024. Mr. Rudolf Noser thus has held an equity interest of 17.93% since November 5, 2024, which corresponds to 1,780,042 voting rights. 4.69% of the voting rights (corresponding to 465,413 voting rights) must be attributed directly to Mr. Rudolf Noser in accordance with Section 34 (1) sentence 1 no. 6. in conjunction with sentence 2 WpHG Further voting rights (corresponding to 1,314,629 voting rights) must be attributed indirectly to Mr. Rudolf Noser via Noser Management AG in accordance with Section 34 (1) sentence 1 no. 6. in conjunction with sentence 2 WpHG.

On May 22, 2025, Mr. Rudolf Noser notified us that Noser Management AG exceeded the threshold of 15% on May 16, 2025. Mr. Rudolf Noser thus has held an equity interest of 19.70% since May 16, 2025, which corresponds to 1,955,704 voting rights. 4.69% of the voting rights (corresponding to 465,413 voting rights) still must be attributed directly to Mr. Rudolf Noser in accordance with Section 34 (1) sentence 1 no. 6. in conjunction with sentence 2 WpHG. Further voting rights (corresponding to 1,490,291 voting rights) must be attributed indirectly to Mr. Rudolf Noser via Noser Management AG in accordance with Section 34 (1) sentence 1 no. 6. in conjunction with sentence 2 WpHG.

On August 12, 2025, Mr. Rudolf Noser notified us that he exceeded the threshold of 20% on August 12, 2025. Mr. Rudolf Noser thus has held an equity interest of 20.05% since August 12, 2025, which corresponds to 1,990,404 voting rights. 4.69% of the voting rights (corresponding to 465,413 voting rights)

must be attributed directly to Mr. Rudolf Noser in accordance with Section 34 (1) sentence 1 no. 6. in conjunction with sentence 2 WpHG Further voting rights (corresponding to 1,524,991 voting rights) must be attributed indirectly to Mr. Rudolf Noser via Noser Management AG in accordance with Section 34 (1) sentence 1 no. 6. in conjunction with sentence 2 WpHG.

Dr. Klaus Fuchs, Germany, notified us on November 6, 2024 in accordance with Section 33 (1) WpHG that his voting share in Softing AG, Haar, Germany, fell below the threshold of 3% on November 6, 2024, and was 2.81% on that date (corresponding to 278,820 voting shares). 2.81% of the voting rights (corresponding to 278,820 voting rights) must be attributed to Dr. Klaus Fuchs in accordance with Section 34 (1) sentence 1 no. 6. in conjunction with sentence 2 WpHG.

4. The Company has not issued any shares with special rights conferring powers of control.
5. No employees may directly exercise their control rights in connection with their equity interests.
6. In accordance with § 7 of the Articles of Incorporation of Softing AG, the Executive Board of Softing AG comprises one or more persons. Even if the Company's share capital exceeds EUR 3,000,000, the Executive Board may comprise just one person. Deputy members of the Executive Board may be appointed. The Supervisory Board appoints the members of the Executive Board and determines the number of persons serving on the Executive Board. The Supervisory Board may appoint a chairman of the Executive Board and a deputy chairman of the Executive Board.

The Supervisory Board is authorized to make amendments to the Articles of Incorporation insofar as they concern only the wording thereof. More comprehensive amendments to

the Articles of Incorporation are subject to the requirements of Sections 133 and 179 German Stock Corporation Act.

An average of 9,925,881 shares were outstanding in the 2025 financial year.

On June 18, 2025, the General Shareholders' Meeting authorized the Executive Board of Softing AG to increase the Company's share capital with the approval of the Supervisory Board by a total of EUR 4,962,940 on one or several occasions up to June 17, 2030 by issuing new no-par bearer shares against contributions in cash and/or in kind (Authorized Capital 2025). The existing authorized capital (Authorized Capital 2022) was cancelled based on a resolution adopted by the General Shareholders' Meeting on June 18, 2025.

Based on the authorization granted by the General Shareholders' Meeting on May 6, 2022, the share capital of EUR 9,105,381 was increased by EUR 820,500 in the previous year upon entry in the commercial register on December 5, 2024. The cash inflow from the capital increase amounted to EUR 3.8 million.

As of the balance sheet date, the fully paid-in share capital of the Company was EUR 9,925,381 (previous year: EUR 9,925,381 thousand). It is divided into 9,925,381 (previous year: 9,925,381) no-par-value bearer shares with a notional value of EUR 1 each.

7. The Executive Board is authorized to contingently increase the Company's share capital with the approval of the Supervisory Board by up to EUR 4,962,940 by issuing up to 4,962,940 new no-par bearer shares (Contingent Capital 2025). The contingent capital increase will serve the granting of option rights or obligations to the holders of warrants arising from bonds with warrants under the terms of the respective options or the granting of conversion rights or obligations to the holders of convertible bonds under the terms
- of the respective convertible bonds issued by the Company up to June 17, 2030 in accordance with the resolution of the General Shareholders' Meeting on June 18, 2025. The new shares will be issued at the respective option or conversion price to be determined in accordance with the above-mentioned authorization resolution. The contingent capital increase will be implemented only in the event that bonds with warrants or convertible bonds are issued and only to the extent that the holders of the bonds with warrants or the convertible bonds make use of their option or conversion right or the holders of bonds obligated to convert or to exercise the option fulfill this obligation and the contingent capital is needed in accordance with the terms and conditions of the bond with warrants or the convertible bond. The new shares issued on the basis of the exercise of the option or conversion right or the fulfillment of the conversion or option obligation have a share in the profit from the beginning of the financial year in which they arise. The Executive Board is authorized, with the approval of the Supervisory Board, to stipulate the further details of the implementation of the contingent capital increase. Said authority was not exercised to date. The existing contingent capital (Contingent Capital 2022) was cancelled based on a resolution adopted by the General Shareholders' Meeting on June 18, 2025.
8. On June 18, 2025, the General Shareholders' Meeting authorized the Executive Board to purchase own shares until June 17, 2030, provided that such purchase is not made for the purpose of trading in treasury shares, and provided that the purchase price of said shares is not more than 10% above or below the shares' average closing price at the Frankfurt Stock Exchange during the last ten days preceding the purchase (share repurchase). The closing price shall be determined as the shares' closing auction price in electronic trading on the Frankfurt Stock Exchange (XETRA trading) or a system succeeding XETRA trading. The

authorization may be exercised once or several times, in whole or in part. It is limited to purchasing shares representing no more than a total of 10% of the Company's share capital. Any treasury shares acquired under this authorization – together with other treasury shares that the Company has already acquired and still holds – may not exceed 10% of the Company's share capital. The buyback served to create an acquisition currency that is required in the medium term and that is available at a price which the Company believes to be considerably below fair value. On August 12, 2024, a share purchase and transfer agreement was concluded between Softing AG and a Swiss investor for the transfer of 90,000 shares of Softing AG at a price of EUR 4.95 per share.

9. As of December 31, 2025, Softing AG does not hold any treasury shares (previous year: 0).
10. There are no material agreements entered into by the parent company that provide for a change of control following a takeover bid.
11. There are no compensation agreements of the parent company with members of the Executive Board or employees in the event of a takeover bid.

STATEMENT ON CORPORATE GOVERNANCE

The Executive Board of Softing AG reports on issues of corporate governance in this statement – also on behalf of the Supervisory Board – pursuant to both Principle 22 of the German Corporate Governance Code and Sections 289f (1) and 315d of the German Commercial Code (HGB). The statement applies both to Softing AG as the parent and to the Softing Group in equal measure. For the contents of the statement, please see this link on our website at www.softing.com:

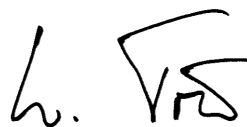
<https://investor.softing.com/de/corporate-governance-kodex/erkl-zur-unternehmensfuehrung-289f-und-315d-hgb.html>

RESPONSIBILITY STATEMENT

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

Haar, Germany, March 18, 2026
Softing AG

The Executive Board



Dr. Wolfgang Trier



Ernst Homolka

Consolidated Income Statement

for the Period from January 1 to December 31, 2025

	Note	Jan. 1, – Dec. 31, 2025 EUR (in thsds.)	Jan. 1, – Dec. 31, 2024 EUR (in thsds.)
Revenue	D1	84,891	95,056
Other own work capitalized	D2	1,287	3,891
Other operating income	D3	2,304	1,726
Operating income		88,482	100,673
Cost of materials/cost of purchased services	D4	–32,692	–35,739
Staff costs	D5	–38,510	–41,386
Depreciation, amortization and impairment of property, plant and equipment, right-of-use assets and intangible assets	D6	–9,505	–8,989
thereof depreciation/amortization due to purchase price allocation/impairment of goodwill		–1,880	–1,667
thereof depreciation due to accounting for right-of-use-assets		–1,766	–1,683
Other operating expenses	D7	–13,317	–14,062
Operating expenses		–94,024	–100,176
Profit/loss from operations (EBIT)		–5,542	497
Interest income	D8	138	170
Interest expense	D8	–848	–860
Interest expense from lease accounting		–246	–279
Other finance income/finance costs	D8	10	–435
Earnings before income taxes		–6,488	–907
Income taxes	D9	1,123	–662
Consolidated profit/loss		–5,365	–1,569
Consolidated profit/loss attributable to			
Shareholders of Softing AG		–5,096	–1,823
Non-controlling interests		–269	254
Consolidated profit/loss		–5,365	–1,569
Earnings per share (diluted = basic)		–0.54	–0.17
Average number of shares outstanding (basic)		9,925,881	9,178,004

Consolidated Statement of Comprehensive Income

for the Period from January 1 to December 31, 2025

	Jan. 1 – Dec. 31, 2025 EUR (in thsds.)	Jan. 1 – Dec. 31, 2024 EUR (in thsds.)
Consolidated profit/loss	-5,365	-1,569
Items that will not be reclassified to consolidated comprehensive income		
Remeasurement of pensions	365	-613
Tax effect	-80	134
Remeasurement from pensions, total	285	-479
Items that will be reclassified to consolidated comprehensive income:		
Currency translation differences		
Changes in unrealized gains/losses	-3,110	1,599
Tax effect	0	0
Total currency translation differences	-3,110	1,599
Other comprehensive income	-2,825	1,120
Consolidated comprehensive income for the period	-8,190	-449
Consolidated comprehensive income for the period attributable to		
Shareholders of Softing AG	-7,921	-703
Non-controlling interests	-269	254
Consolidated comprehensive income for the period	-8,190	-449

Consolidated Statement of Financial Position

as of December 31, 2025

Assets	Note	Dec. 31, 2025 EUR (in thsds.)	Dec. 31, 2024 EUR (in thsds.)
Non-current assets			
Goodwill	C1/C2	10,511	11,428
Other intangible assets	C3/C4	29,743	34,754
Property, plant and equipment	C6	8,386	9,944
Other financial assets	C5	0	0
Deferred tax assets	D9	688	718
Non-current assets, total		49,328	56,844
Current assets			
Inventories	C7	23,667	26,734
Trade receivables	C8	10,783	13,249
Other current financial assets	C9	739	244
Contract assets	C10	1,098	883
Current income tax assets	C11	149	240
Cash and cash equivalents	C12	6,205	9,271
Current non-financial assets	C13	5,740	7,420
Current assets, total		48,381	58,041
Total assets		97,709	114,885

Equity and liabilities	Note	Dec. 31, 2025 EUR (in thsds.)	Dec. 31, 2024 EUR (in thsds.)
Equity			
Subscribed capital	C14	9,926	9,926
Capital reserves	C14	34,065	34,065
Treasury shares	C14	0	0
Retained earnings	C14	4,039	11,960
Equity, shareholders of Softing AG		48,030	55,951
Non-controlling interests	C14	636	905
Equity, total		48,666	56,856
Non-current liabilities			
Pensions	C15	947	1,299
Long-term borrowings	C16	4,431	7,056
Other non-current financial liabilities	C16	9,175	10,804
Deferred tax liabilities	D 9	3,709	5,289
Non-current liabilities, total		18,262	24,448
Current liabilities			
Trade payables	C17	10,550	13,468
Contract liabilities	C10	5,479	4,863
Provisions	C18	181	107
Income tax liabilities	C19	930	458
Short-term borrowings	C20	7,642	9,351
Other current financial liabilities	C21	5,250	4,339
Current non-financial liabilities	C22	749	995
Current liabilities, total		30,781	33,581
Total equity and liabilities		97,709	114,885

Consolidated Statement of Changes in Equity

for the Period from January 1 to December 31, 2025

	Sub-	Capital	Treasury	Retained earnings			Equity,	Non-	Total equity	
	scribed	reserves	Shares	Net retained	Remeasure-	Currency	shareholders	controlling	Total equity	
	capital									profits and
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	
	(in	(in	(in	(in	(in	(in	(in	(in	(in	
	thsd.)	thsd.)	thsd.)	thsd.)	thsd.)	thsd.)	thsd.)	thsd.)	thsd.)	
Balance as of January 1, 2025	9,926	34,065	0	10,899	-996	2,056	11,960	55,951	905	56,856
Consolidated profit/loss 2025				-5,096			-5,096	-5,096	-269	-5,365
Other comprehensive income 2025					285	-3,110	-2,825	-2,825		-2,825
of which from remeasurements					365		365	365		365
of which currency translation						-3,110	-3,110	-3,110		-3,110
of which tax effect					-80		-80	-80		-80
Consolidated comprehensive income for the period				-5,096	285	-3,110	-7,921	-7,921	-269	-8,190
Capital increase				0				0		0
Dividend payment				0			0	0		0
Sale of treasury shares								0		0
Transfer to retained earnings				0			0	0		0
Change in minorities										0
Transactions with owners in their capacity as owners				0			0	0		0
Balance as of December 31, 2025	9,926	34,065	0	5,803	-711	-1,054	4,039	48,030	636	48,666

	Sub-	Capital	Treasury	Retained earnings			Equity,	Non-	Total equity	
	scribed	reserves	Shares	Net retained	Remeasure-	Currency	shareholders	controlling	Total equity	
	capital									profits and
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	
	(in	(in	(in	(in	(in	(in	(in	(in	(in	
	thsd.)	thsd.)	thsd.)	thsd.)	thsd.)	thsd.)	thsd.)	thsd.)	thsd.)	
Balance as of January 1, 2024	9,105	31,111	-485	13,933	-517	457	13,874	53,605	690	54,295
Consolidated profit 2024				-1,823			-1,823	-1,823	254	-1,569
Other comprehensive income 2024					-479	1,599	1,120	1,120		1,120
of which from remeasurements					-613		-613	-613		-613
of which currency translation						1,599	1,599	1,599		1,599
of which tax effect					134		134	134		134
Consolidated comprehensive income for the period				-1,823	-479	1,599	-703	-703	254	-449
Capital increase	821	2,954						3,775		3,775
Dividend payment				-1,172			-1,172	-1,172	-39	-1,211
Purchase of own shares			485					485		485
Transfer to retained earnings				-39			-39	-39		-39
Change in minorities										0
Transactions with owners in their capacity as owners				-1,211			-1,211	3,049		3,010
Balance as of December 31, 2024	9,926	34,065	0	10,899	-996	2,056	11,960	55,951	905	56,856

Consolidated Statement of Cash Flows

for the Period from January 1 to December 31, 2025

	Jan. 1 – Dec. 31, 2025 EUR (in thsds.)	Jan. 1 – Dec. 31, 2024 EUR (in thsds.)
Cash flows from operating activities		
Profit (before tax)	-6,488	-907
Depreciation, amortization and impairment losses on fixed assets	9,505	8,989
Other non-cash transactions	-118	314
Cash flows for the period	2,899	8,396
Interest expense/finance costs	848	860
Change in other provisions and accrued liabilities	7	-43
Change in inventories	3,067	-3,055
Change in trade receivables	2,466	-979
Change in financial receivables and other assets	1,213	-3,219
Change in trade payables	-2,917	6,720
Change in other current assets	101	-1,325
Cash received from sale of subsidiaries	-1,781	0
Income taxes received	91	353
Income taxes paid	-765	-693
Cash flows from operating activities	5,229	7,015
Cash paid for investments in new internal product developments	-1,287	-3,891
Cash paid for investments in new external product developments	0	-35
Cash paid for investments in other intangible assets	-133	-14
Cash received from sale of subsidiaries	1,781	0
Cash paid for acquisition of subsidiaries	-369	0
Cash paid for investments in non-current assets	-1,545	-816
Cash flows from investing activities	-1,553	-4,756
Cash paid for dividends	0	-1,210
Sale of treasury shares	0	445
Cash receipt from capital increase	0	3,774
Repayment of lease liabilities	-1,547	-1,534
Cash received from long-term bank line	0	6,000
Cash received from short-term bank line	1,000	1,000
Cash repayment of bank loans	-5,335	-5,425
Interest, lease accounting	-246	-279
Other interest paid	-847	-690
Total interest paid	-1,093	-969
Cash flows from financing activities	-6,975	2,081
Net change in funds	-3,299	4,339
Effects of exchange rate changes on cash and cash equivalents	234	72
Cash and cash equivalents at the beginning of the period	9,270	4,859
Cash and cash equivalents at the end of the period	6,205	9,270

For further information, please see item E3 of the Notes.

Changes in Intangible Assets and Property, Plant and Equipment

in Financial Year 2025

	Cost					Dec. 31, 2025 EUR (in thsds.)
	Jan. 1, 2025 EUR (in thsds.)	Additions EUR (in thsds.)	Currency differences EUR (in thsds.)	Restatements/ reclassifications EUR (in thsds.)	Disposals EUR (in thsds.)	
Intangible assets						
Goodwill	19,021	8	-925		-58	18,046
Internally generated product developments	62,589	1,287	-370			63,506
Externally generated product developments	4,075					4,075
Other intangible assets	35,168	1,682	-2,457		-39	34,354
	120,853	2,977	-3,752		-97	119,981
Property, plant and equipment						
Right-of-use assets, operating and office equipment	120				-5	115
Right-of-use assets, buildings	9,683	85	-470	1,385	-1,059	9,624
Right-of-use assets, vehicles	1,843	174		-1,358	-181	478
Other equipment, furniture and fixtures and office equipment	9,129	1,545	-270		-341	10,063
	20,775	1,804	-740	27	-1,586	20,280
	141,628	4,781	-4,492	27	-1,683	140,261

in Financial Year 2024

	Cost					Dec. 31, 2024 EUR (in thsds.)
	Jan. 1, 2024 EUR (in thsds.)	Additions EUR (in thsds.)	Currency differences EUR (in thsds.)	Restatements/ reclassifications EUR (in thsds.)	Disposals EUR (in thsds.)	
Intangible assets						
Goodwill	18,543		478			19,021
Internally generated product developments	58,508	3,891	190			62,589
Externally generated product developments	4,040	35				4,075
Other intangible assets	33,905	15	1,268		-20	35,168
	114,996	3,941	1,936		-20	120,853
Property, plant and equipment						
Right-of-use assets, operating and office equipment	120					120
Right-of-use assets, buildings	7,577	3,105	208		-1,207	9,683
Right-of-use assets, vehicles	1,607	139		244	-147	1,843
Other equipment, furniture and fixtures and office equipment	8,254	816	127	5	-73	9,129
	17,558	4,060	335	249	-1,427	20,775
	132,554	8,001	2,271	249	-1,447	141,628

Accumulated depreciation/amortization/impairment					Carrying amounts	
Jan. 1, 2025	Currency differences	Depreciation/amortization/impairment in the financial year	Restatements/transfers	Disposals	Dec. 31, 2025	Dec. 31, 2025
EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)
7,593				58	7,535	10,511
44,572	-79	4,154			48,647	14,859
2,911		630			3,541	534
19,596	-1,499	1,945		38	20,004	14,350
74,671	-1,578	6,729		96	79,727	40,254
62		42		3	101	14
4,108	-114	1,574		980	4,588	5,036
252		150		137	265	213
6,409	-192	1,010		287	6,940	3,123
10,831	-306	2,776		1,407	11,894	8,386
85,502	-1,884	9,505		1,503	91,621	48,640

Accumulated depreciation/amortization/impairment					Carrying amounts	
Jan. 1, 2024	Currency differences	Depreciation/amortization/impairment in the financial year	Restatements/transfers	Disposals	Dec. 31, 2024	Dec. 31, 2024
EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)
7,593					7,593	11,428
40,590	19	3,963			44,572	18,017
2,281		630			2,911	1,164
17,137	737	1,741		20	19,595	15,573
67,601	756	6,334		20	74,671	46,182
42		20			62	58
3,750	63	1,501		1,206	4,108	5,575
237		162		147	252	1,591
5,395	92	972	13	63	6,409	2,720
9,424	155	2,655	13	1,416	10,831	9,944
77,025	911	8,989	13	1,436	85,502	56,126

Notes to the Consolidated Financial Statements for the 2025 Financial Year

A. GENERAL INFORMATION

1. BASIS

The consolidated financial statements of Softing AG were prepared in accordance with all International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) that were applicable on the balance sheet date and all Interpretations of the IFRS Interpretations Committee (IFRS IC) that were binding for the financial year ended and applicable in the European Union in accordance with Regulation No. 1606/2002 of the European Parliament and of the Council on the application of international accounting standards. The term IFRS also includes the applicable International Accounting Standards (IASs). Furthermore, the provisions applicable under German Commercial law as defined in Section 315e (1) German Commercial Code (HGB) were also taken into account.

The consolidated income statement is drawn up using the nature of expense format. The consolidated financial statements are structured in accordance with the provisions of IAS 1. The presentation in the consolidated statement of financial position differentiates between current and non-current assets. Assets are classified as current if

they become due within one year. The consolidated statement of financial position also differentiates between current and non-current liabilities. Liabilities are classified as current if they become due within one year.

The reporting currency is the euro (EUR). All amounts are stated in thousands of euros (EUR thousand) unless indicated otherwise. These financial statements cover the 2025 financial year based on the reporting period from January 1 to December 31 of that same year. Due to rounding, it is possible that individual figures and percentages may not precisely add up to the totals shown.

The consolidated financial statements and the Combined management report are published in the electronic Company Register.

The Executive Board of Softing AG released the consolidated financial statements to the Supervisory Board on March 18, 2026. It is the task of the Supervisory Board to examine the consolidated financial statements and declare whether it approves them.

2. PURPOSE OF THE GROUP

Softing AG, headquartered in Haar near Munich, Germany, is the Group's parent company. Softing AG is a stock corporation under German law. It is registered at Munich Local Court (HRB 127604) with the address "Richard-Reitzner-Allee 6, 85540 Haar." Softing AG is also the ultimate parent company of the Group.

The purpose of Softing AG and its subsidiaries is to provide analysis, consulting, development and implementation services in the context of IT projects as well as business studies, expert opinions and training, especially in the areas of process automation and production data acquisition, system

and user software for micro- and minicomputer systems, long-distance data transmission, computer networks and commercial IT applications.

The results of these activities are incorporated into the products marketed by the Softing Group.

3. PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS ON A GOING CONCERN BASIS

The Executive Board continues to stand by its realistic expectation that the Group has sufficient resources in order to continue to operate for at least a further period of twelve months and that the going concern principle remains appropriate

as a basis for its financial reporting. This assessment by the Executive Board is based on the multi-year corporate planning and is supported by the risk early warning system implemented by the Company.

4. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

New and International Financial Reporting Standards (IFRSs) and Interpretations Effective for the First Time in Financial Year 2025

Standard	Title
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

These changes may require adjustments to our accounting policies. We have carefully considered the impact of these changes on our financial reporting and found that they do not result in any significant changes to Softing AG's consolidated

financial statements. With the exception of the amendments to IAS 21, no other new or amended IFRS standards or IFRIC interpretations became effective in financial year 2025.

New and Amended Standards and Interpretations Becoming Effective in Future Reporting Periods

The following new and amended Standards have already been adopted by the IASB and are effective for future financial years:

Standard	Title	Effective for financial years beginning on or after
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	January 1, 2026
Amendments to IAS 7, IFRS 1, IFRS 7, IFRS 9 and IFRS 10	Transition for Annual Improvements to IFRSs – Volume 11	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027*
IFRS 19 and Amendments to IFRS 19	Subsidiaries Without Public Accountability: Disclosures	January 1, 2027*
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency	January 1, 2027*

*EU endorsement still outstanding

These changes may require adjustments to our accounting policies. We will carefully consider the impact of these changes on our financial reporting and adjust our consolidated reporting as necessary.

B. ACCOUNTING POLICIES

The financial statements of Softing AG and its domestic and international subsidiaries have been prepared using uniform accounting policies. The

accounting policies were applied consistently for all periods presented in the consolidated financial statements.

1. BASIS OF CONSOLIDATION

The consolidated financial statements as of December 31, 2025 include Softing AG and the following

subsidiaries, over which Softing AG directly or indirectly exercises control:

Softing Group as of Dec. 31, 2025	Capital share/voting share	
	2025 %	2024 %
Softing AG, Haar/Germany		
Softing Automotive Electronics GmbH, Haar/Germany	100	100
Softing Services GmbH, Haar/Germany	100	100
Softing Engineering & Solutions GmbH, Kirchentellinsfurt/Germany	100	100
Softing Industrial Automation GmbH, Haar/Germany	100	100
Softing Italia s.r.l., Cesano Boscone/Italy (until June 30, 2025)	–	100
Softing Industrial Automation s.r.l., Meran/Italy (since July 1, 2025)	100	–
SoftingROM s.r.l., Cluj-Napoca/Romania	100	100
Buxbaum Automation GmbH, Eisenstadt/Austria	65	65
Softing Inc., Knoxville/USA	100	100
Softing North America Holding Inc., Delaware/USA	100	100
OLDI Online Development Inc., Knoxville/USA (as of January 1, 2025 merged into Softing Inc., Knoxville/USA)	–	100
Softing IT Networks GmbH, Haar/Germany	100	100
Softing Singapore Pte. Ltd., Singapore	100	100
Softing S.A.R.L., Paris/France	100	100
Softing Electronic Science & Technology (Shanghai) Co., Ltd, Shanghai/China, formerly Shanghai Softing software Co., Ltd.	50	50
GlobalmatiX AG Vaduz/Liechtenstein	100	100
GlobalmatiX Inc., Knoxville/USA (as of January 1, 2025 merged into Softing Inc., Knoxville/USA)	–	100
GlobalmatiX GmbH, Haar/Germany	100	100
DELTA LOGIC Automatisierungstechnik GmbH, Schwäbisch Gmünd/Germany (since January 1, 2025)	100	–

The share of the profits of Softing Electronic Science & Technology (Shanghai) Co., Ltd., Shanghai/China formerly Shanghai Softing software Co., Ltd. attributable to minority interests amounted to EUR 306 thousand in the financial year ended

(previous year: EUR 287 thousand) and that at Buxbaum Automation GmbH, Eisenstadt/Austria amounted to EUR –36 thousand (previous year: EUR –33 thousand).

Softing Electronic Science & Technology (Shanghai) Co., Ltd. is included in the group of consolidated affiliated companies because Softing is responsible for the company's economic and financial management. Softing holds two of the three seats on its Board of Directors and Softing Electronic Science & Technology (Shanghai) Co., Ltd. is dependent on the marketing of software products developed by subsidiaries of Softing. Softing Electronic Science & Technology (Shanghai) Co., Ltd. did not pay a dividend. Buxbaum Automation GmbH, Eisenstadt/Austria, also did not pay a dividend.

As of December 31, 2025, the following changes occurred in the basis of consolidation of Softing AG compared to December 31, 2024:

Acquisition of DELTA LOGIC GmbH

Softing Industrial Automation GmbH acquired all shares in DELTA LOGIC Automatisierungstechnik GmbH on April 9, 2025, with commercial ownership of the business transferred to Softing on January 1, 2025. The entity was consolidated for the first time using the acquisition method in line with the provisions of IFRS 3 (Business Combinations).

The total purchase price to be paid was EUR 1,490 thousand, based on contractually defined conditions and schedules.

At the time of acquisition, the identifiable net assets of the acquired entity before purchase price adjustments totaled EUR 289 thousand.

The following material intangible assets were identified and recognized as part of the purchase price allocation (PPA):

- Customer contracts totaling EUR 844 thousand with an expected useful life of 5 years
- Software amounting to EUR 814 thousand, also with a useful life of 5 years

Deferred tax liabilities of EUR 465 thousand were recognized to take account of temporary differences. Goodwill of EUR 8 thousand was recognized after deducting the fair value of net assets as well as deferred taxes. This figure reflects expected synergies, employee expertise and unidentifiable intangible assets. There is no need to have an allocated "distributable remainder" line item.

The accounting effects of the initial consolidation are presented in the consolidated statement of financial position as follows:

Assets side:

- Customer contracts: EUR 844 thousand
- Software: EUR 814 thousand
- Goodwill: EUR 8 thousand
- Total assets recognized: EUR 1,666 thousand

Liabilities side:

- Deferred tax provisions: EUR 465 thousand

Intangible assets are amortized on a straight-line basis over their respective useful lives. Goodwill is not amortized but is instead subjected to a regular impairment test pursuant to IAS 36.

DELTA LOGIC Automatisierungstechnik GmbH has not made a material contribution to consolidated revenue or consolidated profit/loss for the reporting period ended June 30, 2025 since we acquired the business on April 9, 2025. As a result, no detailed presentation of the individual amounts is provided in these annual financial statements.

Sale of Softing Italia SRL

Subsidiary Softing Italia s.r.l. was fully deconsolidated during the period under review, with commercial ownership of the shares transferred on June 30, 2025. This deconsolidation resulted from the sale of all shares in the company by parent company Softing Industrial Automation GmbH. All of the divested entity's assets and liabilities were derecognized from the consolidated financial statements upon the transfer of control.

The following assets were derecognized as part of the deconsolidation (amounts in EUR thousand):

- Intangible assets: 1
- Property, plant and equipment: 163
- Inventories (carrying amount): 915
- Trade receivables 2,541
- Current tax assets: 40
- Balances with banks: 1,401
- Current financial receivables: 83

In addition, contingent considerations were recognized in the amount of:

- EUR 80 thousand (sales-dependent component)
- EUR 410 thousand (risk provision component)

The total derecognition of assets therefore amounted to: EUR 4,654 thousand.

On the liabilities side, derecognized liabilities included (amounts in EUR thousand):

- Non-current liabilities: 88
- Trade payables (external): 1,438
- Intercompany liabilities: 97
- Liabilities from construction contracts: 10
- Non-financial liabilities: 53
- Financial liabilities: 113

The total derecognition of liabilities amounted to: EUR 1,799 thousand.

Deconsolidation had a EUR 2,855 thousand net effect on equity.

In addition, the sales proceeds from the equity investment exceeded the carrying amount of the net assets at EUR 515 thousand, resulting in a corresponding gain on disposal.

At Group level, other operating income resulting from deconsolidation totaled EUR 515 thousand.

As a result, the deconsolidation made a one-off positive contribution to earnings during the reporting year, which is reported under other operating income.

Foundation of Softing Industrial Automation s.r.l.

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.

Mergers of the US Companies

Effective January 1, 2025, GlobalmatiX Inc., Knoxville/USA and OLDI Online Development Inc., Knoxville/USA were merged into Softing Inc., Knoxville/USA and have not been part of the group of consolidated entities since that date.

Other Equity Investments

The Group also sold a 6.0% equity interest in Yoma Solutions GmbH in Norderstedt for EUR 10 thousand in the financial year now ended due to doubtful future business prospects.

No non-controlling interests or currency translation differences were associated with the changes to the basis of consolidation, as both companies are located in the euro zone.

The following subsidiaries avail themselves of exemption pursuant to Section 264 (3) German Commercial Code:

- Softing Industrial Automation GmbH (Haar) due to a profit transfer agreement with Softing AG
- Softing Services GmbH (Haar) due to a profit transfer agreement with Softing AG
- Softing IT Networks GmbH (Haar) due to a profit transfer agreement with Softing AG

2. PRINCIPLES OF CONSOLIDATION

Subsidiaries are all companies that the Group controls in terms of financial and operating policies. The consolidation of an entity is contingent on the possibility of control. According to IFRS 10, a control relationship requires power over an investee, returns, and the ability to affect those returns through this power. Power is defined as a situation in which the parent has the ability to direct the relevant activities of the investee which significantly affect the investee's returns. Power can be demonstrated by way of voting rights or other contractual rights. A combination of both is also possible. Power is exerted if an entity holds more than 50% of the voting rights in an investee, and no other contradictory agreements or circumstances exist. In assessing control, potential voting rights, economic dependence, the interest held compared with that of the other shareholders, and voting patterns at shareholder meetings must be taken into consideration.

Subsidiaries acquired are accounted for using the purchase method. The consideration for the acquisition is equal to the fair value of the transferred assets, the equity instruments issued by the Group and the liabilities assumed from the previous owners of the acquired subsidiary as of the acquisition date. In addition, the consideration paid includes the fair value of any recognized assets or liabilities arising from agreed contingent consideration. Acquired assets identifiable in the course of a business combination along with liabilities and contingent liabilities assumed are recognized when they are acquired at their fair value at the time of acquisition. For each acquisition of an entity, the Group decides on a case-by-case basis whether the

non-controlling interests in the entities acquired are recognized at fair value or in the amount of their proportional share of the net assets of the acquired entity. Historically, the full goodwill method has not been applied.

Any contingent consideration to be paid by the Group is recognized at fair value at the time of acquisition. Future adjustments to the fair value of contingent consideration classified as an asset or a liability are measured in accordance with IFRS 9 and recognized in profit or loss. Contingent consideration that is classified as equity is not remeasured and, when settled later, is accounted for in equity.

Transactions involving non-controlling interests without a loss of control are reported as transactions with the owners of the Group acting in their capacity as owners. Any difference between the fair value of the consideration paid and the acquired interest in the carrying amount of the net assets of the subsidiary arising from the acquisition of a non-controlling interest is recognized in equity. Gains and losses arising from the sale to non-controlling interests are also recognized in equity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control begins and until the date on which control ends.

Intragroup sales, expenses and income, receivables and payables as well as the results of intragroup transactions (intercompany profits) are eliminated during consolidation.

3. RECOGNITION OF REVENUE

Revenue is measured at the fair value of the consideration received or rendered, less returns and discounts and volume rebates granted. The following details apply to the recognition of revenue:

Revenue from the Sale of Products

Revenue from the sale of products is recognized when control of distinct goods is transferred to the customer. This means that the customer can direct the use of, and obtain substantially all of the remaining benefits from, the goods. A contract between Softing and the customer provides the basis for this. The parties must have agreed to the contract and the arrangements stipulated therein, the individual obligations of the parties and the payment terms must be identifiable, the contract must have commercial substance, and it must be likely that Softing will receive consideration for the service provided. The transaction price is the amount of consideration Softing AG receives in exchange for the transfer of merchandise or the provision of services. Softing bases its determination of the transfer of control on the Incoterms agreed. A receivable is reported on shipment of the goods because at this time the right to consideration is unconditional, meaning that from this date payment automatically becomes due in time. If the contract contains more than one distinct performance obligation, the transaction price is divided up between the individual performance obligations on the basis of the relative standalone selling prices. If no standalone selling prices can be observed, Softing estimates these. The individual identifiable performance obligations are realized on a specific date.

Revenue from Services

Revenue from services comprises customer-specific software developments. If, based on their specifications, the customer developments do not have an alternative use and there is an enforceable right to payment from the customer at least in the amount of a refund of the costs arising from the performance completed to date, including a reasonable profit margin, revenue is recognized over time. The percentage of completion is calculated using the cost-to-cost method because the costs incurred represent the best indicator for the performance obligation that has already been satisfied. The performance that has been completed at the end of the reporting period is recognized as a proportion of the total performance to be completed. Where contracts include hardware installation, the revenue for the hardware is recognized at the date on which the hardware was delivered, ownership was transferred, and the customer accepted the hardware. Estimates concerning the revenue, cost or order progress are adjusted as soon as circumstances change. Any resulting increases or decreases in the estimated revenue or costs are recognized in profit or loss for the period in which management becomes aware of the circumstances leading to the adjustment. In the case of fixed-price contracts, the customer pays an amount set in a payment schedule. If the services Softing performs exceed the amount paid at that particular time, a contract asset is recognized. If the payments received are higher than the value of the services performed, a contract liability is disclosed.

Revenue from the performance of other services is recognized in the reporting period in which the services are performed. Where the contract stipulates a fixed hourly rate, revenue is recognized in the amount which Softing is entitled to invoice. Services are normally invoiced on a monthly or quarterly basis and payment is due within 30 days of receipt of invoice.

Interest Income

Interest is recognized using the effective interest method. Interest income from bank balances and other financial assets is recognized as income only if the Company is likely to partake of the economic benefit and if the amount of income can be reliably determined.

Income from Government Grants

In accordance with IAS 20, government grants are only recognized if there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received.

4. INTANGIBLE ASSETS

Intangible assets comprise goodwill resulting from acquisition accounting as well as other intangible assets and capitalized development costs. With

the exception of goodwill resulting from acquisition accounting, all intangible assets have a finite useful life.

5. DEVELOPMENT COSTS

Development costs for developing new products and for materially refining a product or process are capitalized if the product or process is technically and financially feasible; if there is an intention to complete it; if the development is marketable; if the costs can be reliably determined; and if the Group possesses sufficient resources to complete the development project. All other development costs are immediately recognized as expenses in the income statement. Capitalized development costs for completed projects are reported at cost net of accumulated amortization and impairment. In this context, production costs include labor costs and other directly allocable costs that are

necessary to create the development project. The Softing Group amortizes the development costs for new product lines and product versions over their respective useful life of between three and five years using the straight-line method; amortization in the year the product lines or versions are completed is recognized on a pro-rata basis. Amortization is shown in the consolidated income statement under the item "Depreciation of property, plant and equipment and right-of-use-assets, and amortization of intangible assets". In accordance with IAS 38, research costs cannot be capitalized and are immediately recognized as an expense in the consolidated income statement.

6. GOODWILL

Goodwill arises in conjunction with the acquisition of subsidiaries and equals the total of the consideration paid, the amount of all non-controlling interests in the acquired entity, and the fair value of previously held equity interests in the acquired entity, less the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the total of the consideration paid, the amount of all non-controlling interests, and the fair value of the previously held equity interests, the difference is recognized directly in profit or loss.

According to IFRS 3, goodwill is not amortized but subjected to an annual impairment test pursuant to IAS 36 if there is an indication of impairment. For the purpose of this impairment test, goodwill is allocated to a cash-generating unit (CGU).

At Softing, the cash-generating units correspond to the individual entities unless an entity's business activity covers more than one segment. In this case, goodwill is allocated based on segments. The relevant cash-generating units for goodwill are:

- Softing Engineering & Solutions GmbH, Kirchentellinsfurt, Germany together with Softing Automotive Electronics GmbH, Haar/Germany
- Softing Industrial Automation GmbH, Haar/Germany
- Softing Inc., Knoxville/USA
- GlobalmatIX AG Vaduz/Liechtenstein
- DELTA LOGIC Automatisierungstechnik GmbH, Schwäbisch Gmünd/Germany

An impairment loss is recognized if the carrying amount of the cash-generating unit to which the goodwill is allocated is higher than the recoverable amount. Pursuant to IAS 36, the recoverable amount is the higher of fair value less costs

of disposal and value in use. As the fair value less costs to sell cannot be determined with reasonable effort, the value in use is recognized.

The value in use of the cash-generating unit was determined as follows: Based on the bottom-up planning for the next four financial years as approved by the management of Softing AG and the Supervisory Board, the future cash flows (before interest and taxes) of the cash-generating unit were determined. The planning is based on historical data and the best possible estimates of management regarding future developments. In order to carry out the impairment test, the management estimated the cash generated beyond the planning period, assuming that growth of 1.0% (previous year: 1.0%) is recorded in future years.

The value in use of the underlying cash generating unit was determined by applying the discounted cash flow method. The discount rate used is a pre-tax interest rate based on the Weighted Average Cost of Capital (WACC) concept. These comprise the cost of equity and borrowing weighted at fair value. The costs of capital are determined using Capital Asset Pricing Model (CAPM) and comprise the risk-free interest rate and a risk premium calculated as the difference of the average market return and the risk-free interest rate multiplied by the company-specific risk (beta factor). The beta factor for this is derived from a group of comparable companies. The borrowing costs are composed of a base interest rate and a specific credit spread derived from capital market data. When determining the value in use, discount rates before taxes are taken as a basis for each cash-generating unit.

An impairment loss recognized on goodwill is not reversed in future periods.

7. OTHER INTANGIBLE ASSETS

Intangible assets acquired for consideration are carried at amortized cost. They are amortized in accordance with their respective useful life using the straight-line method. Software and technology is amortized over a period of three to seven years in accordance with its respective useful life using

the straight-line method. Rights and business relations are amortized over a period of five to twenty years. Amortization is shown in the consolidated income statement under the item "Depreciation of property, plant and equipment and right-of-use-assets, and amortization of intangible assets".

8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is measured at cost, less accumulated depreciation, usage-based accumulated depreciation and usage-based accumulated impairment losses.

Property, plant and equipment is depreciated using the straight-line method in accordance with its useful life. Hardware is depreciated over three years; furniture and fixtures are depreciated over five to seven years, and new equipment installed is depreciated over the remaining term of the lease. Amortization is shown in the consolidated income statement under the item "Depreciation of property, plant and equipment and right-of-use-assets, and amortization of intangible assets". If fixed

assets are disposed, cost and accumulated depreciation are derecognized; income/loss from the disposal of fixed assets is recognized in the consolidated income statement under other operating income/expenses.

Costs related to repairs and maintenance work are recognized as expenses at the time they are incurred. Significant renovations and improvements are only allocated to the carrying amount of the original asset or capitalized as a separate asset if it is probable that economic benefits will flow to the Group in connection with that asset in the future, and these benefits can be estimated reliably.

9. IMPAIRMENT

The Group reviews the carrying amounts of intangible assets and property, plant and equipment at each reporting date for indications of impairment. If there are indications of impairment, the recoverable amount of the relevant asset is determined for the purpose of determining the scope of the potential impairment loss. The recoverable amount corresponds to the fair value less costs to sell or the value in use, whichever is higher. The value in use corresponds to the present value of the estimated cash flows. An interest rate before taxes that corresponds to market rates is used as the discount rate. If no recoverable amount can be determined for an individual asset, the recoverable amount for the smallest identifiable class of assets (cash-generating unit – CGU), to which the respective asset can be allocated, is determined.

Goodwill resulting from acquisitions are allocated to the CGUs that are to reap the benefits from the synergies arising from the acquisition. Such cash-generating units represent the lowest reporting level in the Group at which management monitors the goodwill for internal control purposes. The recoverable amount of a CGU that contains goodwill is tested for impairment at least once a year. This is also done for development projects that are currently under development and whose costs are capitalized. An impairment loss is recognized for an asset immediately if its recoverable amount is lower than its carrying amount. If the recoverable amount of the asset or the CGU is determined to be higher after an impairment loss has been recognized, the impairment loss recognized on goodwill is not reversed.

10. LEASES

Softing exclusively acts as a lessee in rental and lease agreements. Since January 1, 2019, it has recognized leases in accordance with the guidance of IFRS 16.

Only the accounting policies with relevance for the Group from the perspective of the Softing Group as a lessee are described below. In line with the internal reporting, intercompany leases will also continue to be presented in accordance with IAS 17, as operating leases were in the past, and are eliminated for consolidated reporting purposes.

For all new contracts effective on or after January 1, 2019, Softing examines whether a contract is or contains a lease. However, for this the Group does not apply the guidance of IFRS 16 to right-of-use intangible assets.

A lease is defined as a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration. In application of this definition, the Group assesses whether the contract meets the following three preconditions:

- The contract refers to an identified asset which is either expressly indicated in the contract or is implicitly specified and can thus be considered to have been identified.
- The Group has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use, while taking into consideration its rights within the defined scope of the contract.
- The Group has the right to determine the use of the identified asset throughout the period of use.

In the case of multiple-element arrangements, each separate lease component is accounted for separately, excluding real estate lease agreements for individual sites. Depending on the terms of the contract in question, the surrender of use and benefit of office and storage space as well as parking spaces for each site is accounted for as a single lease component. Non-lease components such as servicing and maintenance are recognized directly as an expense in the period in which the expenses are incurred.

Determination of the relevant lease term includes the contractual term, extension options and termination options. In the Softing Group, the assessment as to whether it is reasonably certain that a termination option, an extension option, or a purchase option will be exercised is generally made by the management of the individual company and is comprehensively determined following an evaluation of all economic advantages and disadvantages and reviewed periodically.

As of the date of provision of the leased asset, the Group recognizes a right-of-use asset and a lease liability in the statement of financial position. The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability less any initial direct costs incurred by the Group, an estimate of costs to be incurred in dismantling and removing the underlying asset when the lease ends, and any lease payments made before the commencement date, less any lease incentives received. In subsequent periods, the right-of-use asset will be measured at depreciated cost.

The lease liability is measured according to the present value of the lease payments made during the term of the lease, on the basis of the underlying interest rate for the lease or, if this is not

available, the incremental borrowing rate of interest. Within the scope of the subsequent measurement, interest will accrue to the carrying amount of the lease liability on the basis of the interest rate used for discounting, while the lease payments made will be deducted from this carrying amount.

Based on Softing's current portfolio of contracts, the lease payments included in the measurement of the lease liability solely comprise fixed payments (including de facto fixed payments) and variable payments coupled to an index or (interest) rate.

In principle, changes to leases and remeasurements of lease liabilities are recognized in other comprehensive income against the right-of-use asset. They are recognized in the consolidated income statement if the carrying amount of the right-of-use asset has already been reduced to zero or this is the result of a partial termination of the lease.

As a rule, the Group depreciates on a straight-line basis the right-of-use assets from the start of the lease up to the end of the period of use of the leased asset or the end of the contract term, whichever is earlier. In addition, the Group tests for impairment in case of relevant indicators.

For short-term leases and leases of low-value assets, the corresponding payments are measured on a straight-line basis over the term of the lease and presented as an expense in the income statement.

In the statement of financial position, right-of-use assets are presented under property, plant and equipment, while lease liabilities are presented under other current and non-current financial liabilities.

11. INVENTORIES

Inventories are recognized at the lower of cost or net realizable value. As a rule, production supplies and goods for resale/finished merchandise are recognized at the weighted average.

Production costs comprise material and production costs overheads directly attributable to the production process as well as reasonable amounts of the production-related overheads. Production costs do not include selling costs and general

administration costs. If the net realizable value at the balance sheet date is below cost, for instance because of long periods of storage, damage or reduced marketability, inventories are written down to the lower value. Net realizable value is the estimated selling price of the item in the course of ordinary business less estimated costs incurred until completion and less estimated necessary selling costs.

12. FINANCIAL ASSETS – IFRS 9

Financial assets comprise in particular:

- Equity instruments in other companies held by the Group
- Trade receivables
- Other financial assets
- Cash and cash equivalents

Financial assets with a term of more than twelve months are presented under non-current financial assets.

Financial assets are classified based on the underlying business model and the cash flow characteristics, which stipulate that the contractual cash flows of a financial asset may solely comprise repayments of principal and interest on the principal amount outstanding. The cash flow characteristics are always tested at the level of the

individual financial instrument. The business model is assessed based on the question of how financial assets can be managed to generate cash flows. Management can be based on a hold or sell model or a combination of the two.

The Group divides financial assets into one of the following categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through other comprehensive income including recycling (debt instruments)
- Financial assets at fair value through profit or loss
- Financial assets at fair value through other comprehensive income excluding recycling (equity instruments)

Financial Assets at Amortized Cost (Debt Instruments)

The most important category of financial assets for the Group is the category of assets measured at amortized cost relating to debt instruments. They are recognized at amortized cost if the following two criteria are met:

- The business model for managing these financial instruments involves holding them to collect the underlying contractual cash flows, and the contractual cash flows generated consist solely of principal and interest.
- These financial assets are subsequently measured using the effective interest method subject to the impairment rules in IFRS 9.5.5 ff. In the Group it is mainly trade receivables, other financial assets and bank deposits that belong to this category.

Financial Assets at Fair Value Through Other Comprehensive Income Including Recycling (Debt Instruments)

Debt instruments are recognized at fair value through other comprehensive income including recycling if the following two criteria are met:

- The business model for managing these financial instruments involves holding them to collect the underlying contractual cash flows, and selling them, and
- The contractual cash flows generated consist solely of principal and interest.

For this category of financial assets, interest, foreign currency measurement effects, and expenses and income are recognized through profit or loss in the income statement in connection with

impairment losses. Any changes are recognized in other comprehensive income in accordance with IFRS 9 and reclassified to profit or loss when the assets are sold (recycling).

The Group currently does not have any financial assets that fall in the scope of this measurement category.

Financial Assets at Fair Value Through Profit or Loss

This category comprises financial assets held for trading, financial instruments measured using the fair value option, financial assets mandatorily at fair value and equity instruments not measured at fair value through other comprehensive income. An asset is classified as held for trading if it is acquired or incurred for the purpose of selling or repurchasing it in the near term. Derivatives that are not part of a hedge are always held for trading. Financial assets that do not satisfy the cash flow characteristics are always measured at fair value through profit or loss irrespective of the underlying business model. The same measurement applies to financial instruments that are held within a business model whose objective is to collect contractual cash flows ("sell" model).

The fair value option for financial assets is not used in the Group.

Any changes in the fair value of these instruments are recognized in profit or loss.

The Group currently does not have any financial assets that fall in the scope of this measurement category.

Financial Assets at Fair Value Through Other Comprehensive Income Excluding Recycling (Equity Instruments)

When recognizing an equity instrument for the first time, the Group has the irrevocable option to measure this at fair value through other comprehensive income. This is subject to the condition that the instrument is an equity instrument in accordance with IAS 32 that is not held for trading purposes and does not constitute contingent consideration within the meaning of IFRS 3. The option is exercised separately for each individual equity instrument.

On the disposal of such financial assets, any gains or losses are not recycled through profit or loss. Dividends from such instruments are recognized in profit or loss. Equity instruments measured at fair value through other comprehensive income are not subject to the provisions on impairment.

The Group currently does not have any financial assets that fall in the scope of this measurement category.

Derecognition

A financial asset (or part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the consolidated statement of financial position) mainly if one of the following conditions is met:

- The contractual rights to receive the cash flows of the financial asset have expired.
- The Group has transferred its contractual rights to receive the cash flows of the financial asset to third parties or assumed a contractual obligation

to an immediate payment of the cash flow to a third party under a pass-through arrangement, thereby

- (a) transferring substantially all risks and rewards of the ownership of the financial asset or
- (b) neither transferring nor retaining substantially all risks and rewards of the ownership of the financial asset, but transferring the control of the asset.

The Group participates in a customer's reverse factoring program and sells receivables to a bank under this program. When the Group transfers its contractual rights to receive cash flows from an asset or enters into a pass-through arrangement, it assesses whether and to what extent it retains the risks and rewards of ownership.

If the Group neither transfers nor retains substantially all risks and rewards of the ownership of this asset, nor transfers the control of the asset, it continues to recognize the transferred asset to the extent of its continuing involvement. In this case, the Group also recognizes the liability associated with it. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations retained by the entity. If the continuing involvement guarantees the transferred asset, the extent of the continuing involvement corresponds to the lower of the asset's initial carrying amount and the maximum amount of the consideration received which the Group might have to pay back.

Under factoring, the rewards and risks are transferred to the contractual partner and the receivables are derecognized at the time of sale.

Impairment of Financial Assets

Financial assets, except financial assets measured at fair value through profit or loss, contract assets in accordance with IFRS 15, lease receivables, loan commitments and financial guarantees are subject to the impairment model within the meaning of IFRS 9.5.5. According to this approach, the Group must recognize a loss allowance on these assets based on the expected credit loss.

The expected credit loss is the difference between the contractually agreed cash flows and the expected cash flows, measured at present value and applying the original effective interest rate. Expected cash flows also include proceeds from short hedges and other loan collateral that is an integral part of the relevant contract. As a rule, expected credit losses are recognized on three levels. For financial assets which have not experienced a significant increase in credit risk since initial recognition, a loss allowance in the amount of the expected 12-month credit loss is recognized (Level 1). Where a significant increase in credit risk has occurred, the expected credit loss for the remaining lifetime of the asset is determined (Level 2). The Group generally assumes that a significant increase in credit risk has occurred if payments are 30 days past due. This principle can be refuted if reliable and justifiable information indicates in individual cases that credit risk has not increased. If there is objective indication of impairment, the underlying assets must be assigned to Level 3. Objective evidence of impairment is

assumed if the assets are more than 90 days past due unless there is reliable, justifiable information in the specific case that longer arrears are acceptable. Moreover, a refusal to make payment and similar are considered objective evidence of impairment.

The class of assets that is relevant for the Group for application of the simplified impairment model comprises trade receivables and contract assets. For these, the Group applies the simplified approach in accordance with IFRS 9.5.15. In this approach, the loss allowance always equals the credit loss expected over the lifetime of the asset.

For other assets subject to the amended impairment model in IFRS 9 and to which the general approach is applied, the expected credit loss is measured by grouping financial assets on the basis of common credit risk characteristics, and considering individual default information. In any case, the calculation is based on current probabilities of default on the respective reporting date.

Softing generally assumes that a default has occurred when contractual payments are more than 360 days past due. In addition, in individual cases, other internal and external information may be considered that indicates that contractual payments cannot be paid in full. Financial assets are derecognized when there is no reasonable expectation that future payments will be made.

13. CONTRACT ASSETS AND CONTRACT LIABILITIES

Contract assets arise from the application of revenue recognition over time. At Softing this is particularly the case when the products, based on their specifications, do not have an alternative use and there is an enforceable right to payment from the customer at least in the amount of a refund of the costs arising from the performance completed to date, including a reasonable profit margin (software development for customers). In such cases, Softing recognizes revenue on the basis of the input-oriented cost-to-cost method. Here, the revenue is recognized in accordance with the stage of completion. The stage of completion is the proportion that contract costs incurred for work performed to date bear to the total contract costs. Since revenue is required to be recognized before

the date on which Softing has received the full consideration, a contract asset is recognized.

Contract liabilities mainly result from advances received from customers where these are in connection with a customer order and the products have not yet been delivered or performance completed.

Contract assets and contract liabilities are netted at the level of the individual contract. The contract balances at Softing generally have a current remaining term.

The provisions of IFRS 9 on impairment are applied to contract assets.

14. CURRENT ASSETS

Current assets are initially measured at fair value and then are recognized at depreciated or amortized cost.

15. CURRENT AND DEFERRED TAXES

The tax expense for the period comprises current and deferred taxes.

Taxes are recognized in the consolidated income statement unless they relate to an item that was recognized directly in equity or in other comprehensive income. In this case, the taxes are also recognized in equity or in other comprehensive income.

The current tax expense is measured based on the tax regulations of the countries in which Softing and its subsidiaries do business and generate taxable income that are applicable on the reporting date (or applicable in the near future). Management regularly reviews tax returns, particularly with regard to circumstances open to interpretation and, where appropriate, recognizes provisions in the amounts the Company is expected to have to pay to the tax authorities. Income taxes are determined using the balance sheet liability method.

As a rule, deferred tax assets and deferred tax liabilities are recognized for all temporary differences between the carrying amount of an asset or liability and its fair value determined for tax purposes. Deferred tax assets are also recognized for tax loss carryforwards and tax credits.

Deferred tax assets on tax loss carryforwards must be recognized to the extent that the future use of these tax loss carryforwards is probable. All deferred tax assets on tax losses were therefore recognized taking their realizability into account.

Deferred taxes are determined on the basis of the tax rates which, based on the current legal situation, apply at the time of realization or which are expected to apply in the individual countries. The effect of changes in tax rates on deferred taxes is recognized in profit or loss, or in equity, at the time the legal changes become effective.

Deferred tax assets are only recognized in the amount in which it is probable that taxable income will be available against which temporary differences can be applied.

Deferred tax liabilities and assets, which arise through temporary differences in the context of investments in subsidiaries are recognized, unless the Group can determine when the temporary differences reverse and it is probable that the temporary differences will not reverse in the foreseeable future as a result of this effect.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

When determining deferred taxes, the effects of the "Act Enabling an Immediate Tax Investment Program to Enhance Germany's Attractiveness for Businesses" and the resulting gradual tax rate reductions starting in financial year 2028 are assessed and taken into account to the extent relevant.

16. PENSION PROVISIONS

Provisions for defined benefit pension plans are measured in accordance with IAS 19 using the projected unit credit method. This method takes into account not only the pensions and benefits accrued but also expected future pension increases based on a prudent assessment of relevant factors. Calculation is based on actuarial expert opinions taking into consideration biometrical assumptions and a discount rate derived from the yield of high-quality corporate bonds with

matching maturities. The amount of the provision for defined benefit plans recognized in the statement of financial position corresponds to the present value of the defined benefit obligation on the balance sheet date less the fair value of the plan assets. The present value is calculated by discounting the expected future cash flows at an interest rate applicable to high-quality corporate bonds. Actuarial remeasurements are recognized in other comprehensive income.

17. PROVISIONS

The other provisions are recognized for all other contingent liabilities and risks of the Softing Group toward third parties. They are recognized only if the current obligation (factually or legally) arises from a past event, if utilization is probable, and if the amount of the obligation can be estimated

reliably. The amount recognized comprises the present value of the expected expenditure, including interest cost, if any, on non-current provisions, required to settle the present obligation at the balance sheet date.

18. CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

Financial liabilities frequently constitute an obligation to return in cash and cash equivalents or another financial asset. Financial liabilities are only recognized if Softing is a party to the agreement governing the financial liabilities. Financial liabilities are removed from the statement of financial position when they have been extinguished, i.e. when the obligations specified in the contract are discharged or canceled or expire.

Upon initial recognition, financial liabilities are measured at fair value after deduction of transaction costs. They are subsequently measured at amortized cost. Any difference between the disbursement amount (after deduction of transaction costs) and the repayment amount is amortized over the term of the loan using the effective

interest method and recognized in the consolidated income statement. All financial liabilities held for trading fall into the category of financial liabilities at fair value through profit or loss. These include derivatives that are not part of a hedge and financial instruments for which the fair value option was exercised. Softing does not have any such financial instruments at present.

The Group has not made use of the fair value option for debt instruments in accordance with IFRS 9.

Financial liabilities comprise the statement of financial position items "Short-term and long-term borrowings", "Trade payables" and "Other current financial liabilities".

19. SHORT-TERM AND LONG-TERM BORROWINGS

Short-term borrowings include current liabilities to banks that are due within one year. Long-term borrowings include liabilities to banks that are due after more than one year. Short-term and long-term borrowings are initially recognized at

fair value. Borrowings are classified as short-term if Softing does not have the unconditional right to postpone extinguishment of the liability to a point in time at least twelve months after the balance sheet date.

20. CURRENT NON-FINANCIAL LIABILITIES

Non-financial liabilities are carried at the repayment amount.

21. EXERCISE OF JUDGMENT AND ESTIMATE UNCERTAINTIES

The preparation of the consolidated financial statements in accordance with the IFRSs requires forward-looking assumptions to be made and estimates to be used that have an effect on the carrying amounts of recognized assets and liabilities, income, expenses, and contingent liabilities. The forward-looking assumptions and estimates essentially relate to the uniform determination of useful lives throughout the Group, the determination of the term of leases, the determination of the incremental borrowing rate for leases, the recognition and measurement of provisions (in particular pension provisions), and the realizability of future tax benefits as well as the material exercise of judgment with regard to the expected time of occurrence, the amount of the future taxable income, and future tax planning strategies (tax forecasts). As a rule, the forward-looking assumptions and estimates are based on experience and knowledge gained from the past; they also take into account macroeconomic factors which might be used as a

reliable basis. Forecasts are intrinsically uncertain and difficult especially because they are forward-looking. In individual cases, the actual values may deviate from the assumptions and estimates. The assumptions and estimates are reviewed regularly. Changes are recognized in profit or loss as of the time better knowledge is obtained, or in the period in which better knowledge is obtained, as well as in future periods if the changes comprise several periods.

The most important forward-looking assumptions and other material sources of estimate uncertainties as of the closing date that could result in a considerable risk of having to make significant adjustments to the recognized assets and liabilities in the next financial year concern the possible impairment of goodwill. The weighted average cost of capital (WACC) and the tax rates are the material parameters for carrying out the annual impairment test of goodwill.

Recognizing revenue over time using the cost-to-cost input method entails recognizing revenue based on the stage of completion. This method requires careful assessment of the stage of completion. Factors such as contract revenue, total contract costs, costs yet to be incurred until completion and contract risks are material to the estimate.

There is discretion in assessing the criteria relevant to the capitalization of development costs and the

amount of the hourly rates for personnel used in the capitalization. The following assessments, in particular, are subject to our discretion: whether the given asset possesses technical and commercial utility for sale or own use; whether we plan on and are capable of completing the intangible asset and either using or selling it; and whether the asset will generate a future economic benefit.

22. CURRENCY TRANSLATION

Foreign currencies are translated using the functional currency method as defined in IAS 21. With the exception of Softing IT Networks in Singapore, where the functional currency is the USD, the functional currency of all foreign subsidiaries is the respective local currency because the material foreign companies that are included in the consolidated financial statements operate their businesses independently in financial, economic and organizational terms primarily in their respective economic environment. The exchange rate risk within the Softing Group is essentially restricted to USD, RON and CHF.

At each reporting date, monetary items denominated in foreign currencies are translated at the closing rate. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the exchange rates prevailing at the date when the fair value was determined. Non-monetary items measured at cost are translated using the exchange rate at the date of initial recognition.

For Group companies which do not report in EUR, the assets and liabilities are translated into euros at the exchange rate applicable at the balance

sheet date, and expenses and income are translated at the annual average exchange rate for the purpose of preparing consolidated financial statements. Equity is translated at historical rates. Currency translation differences arising from currency translation of foreign operations are recognized in other comprehensive income and accumulated in retained earnings. They are shown separately as a currency reserve in the statement of changes in equity.

Goodwill and fair value adjustments arising during an acquisition of a foreign entity are recognized as assets and liabilities of the foreign entity and translated at the rate of exchange on the closing date. All resulting currency translation differences are recognized in other comprehensive income.

Currency translation differences arising on monetary items receivable from/payable to a foreign operation that are neither planned nor likely to be settled and therefore form part of the net investment in that foreign operation are initially recognized in other comprehensive income and are reclassified from equity to profit or loss on disposal or repayment of loans.

On disposal of a foreign operation or repayment of a long-term loan, all accumulated currency translation differences attributable to the Group from the operation are reclassified to profit or loss. In this context, the following transactions are considered to be disposals of a foreign operation:

The sale of the Group's entire equity interest or the partial sale resulting in loss of control, or partial or full repayments of loans that were originally considered non-repayable.

The euro exchange rates applicable for currency translation changed as follows:

	USD/EUR		RON/EUR		CHF/EUR	
	2025	2024	2025	2024	2025	2024
Closing rate (Dec. 31)	1.18	1.04	5.10	4.97	0.93	0.94
Average exchange rate	1.17	1.05	5.09	4.98	0.93	0.95

Currency gains or losses resulting from foreign currency transactions (transaction in a currency other than a company's functional currency) are reported as other operating income or other operating expenses in the individual financial statements of the Group companies. Exchange differences arising from financing are reported under finance income/finance costs.

C. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

1. CHANGES IN THE BASIS OF CONSOLIDATION

In financial year 2025, internal restructuring within the Group resulted in changes in the basis of consolidation compared to December 31, 2024. For details see section B.

2. GOODWILL

	Dec. 31, 2025 EUR (in thsds.)	Dec. 31, 2024 EUR (in thsds.)
Softing Engineering & Solutions GmbH & Softing Automotive Electronics GmbH	1,055	1,055
Softing Industrial Automation GmbH	384	384
Softing Inc. (vormals OLDI Online Development Inc.)	7,064	7,989
GlobalmatiX AG	2,000	2,000
DELTA LOGIC Automatisierungstechnik GmbH	8	0
Goodwill	10,511	11,428

Softing Engineering & Solutions GmbH and Softing Automotive Electronics GmbH are both active in the Automotive sector and share some customers, even more so now that Softing Engineering & Solutions GmbH is expanding its business portfolio further and its activities are more closely aligned with those of Softing Automotive Electronics. The Group also believes that this will generate sales synergies, which is why it considers the two companies in the Automotive segment to be a single cash-generating unit.

The 2026 detailed planning period was defined on the basis of short-term revenue and margin expectations.

In the medium term between 2027 and 2029, Softing expects the trend towards new technologies to accelerate and investments in product development to pay off.

Management continues to carefully monitor the ongoing market environment and planning parameters to ensure that any necessary adjustments to the estimates can be made.

The entities' goodwill was tested for impairment pursuant to IAS 36. The recoverable amount of the CGUs was determined based on a calculation of the entities' value in use. The following parameters were used for the items of goodwill:

For Europe:

- Discount rates (WACC) before taxes: 9.9% to 10.4% (previous year: 10.1% – 11.0%)
- Risk-free interest rate: 3.46% (previous year: 2.45%)
- Market risk premium: 6.0% (previous year: 6.5%)
- Beta factor relevered (weighted average of a group of comparable companies): 1.02 (previous year: 1.16)

For the USA:

- Discount rates (WACC) before taxes: 10.4% (previous year: 11.0%)
- Risk-free interest rate: 4.80% (previous year: 4.59%)
- Market risk premium: 4.25% (previous year: 4.5%)
- Beta factor relevered (weighted average of a group of comparable companies): 1.04 (previous year: 1.18)

Management has planned the cash flows for a period of 4 years (previous year: 4 years), after which a growth rate of 1.0% (previous year: 1.0%) was assumed for extrapolating the cash flow forecasts.

The material planning premises include, in particular, the expected development of the market in relation to the performance of the CGUs, the change in both sales and profits and the weighted average cost of capital. General market forecasts and current developments as well as historical experience are used to establish the assumptions. In particular, the long-term growth rates reflect circumstances specific to the business.

Besides sales, the margin is the material driver of value in the determination of the recoverable amount. The discount rate also has a significant impact on the measurement gain or loss.

The Group recognized impairment losses on goodwill of EUR 0 thousand in 2025 (previous year: EUR 0 thousand).

The carrying amount of the goodwill of Softing Inc. was EUR 7,064 thousand on the reporting date based on the USD exchange rate applicable on the reporting date.

Sensitivity Analysis

An increase in the interest rate by 100 basis points would not lead to further impairment of goodwill in the cash-generating units. Likewise, a 5% decrease in the forecast free cash flow to firm (FCFF) in the terminal value would not lead to a need for further impairment of goodwill.

The sensitivity analysis does not show a need for impairment of the goodwill for all cash-generating units.

Climate-related Matters

The Group continuously monitors legislation related to climate change and in financial year 2022 prepared its first voluntary sustainability report. At present, no laws have been adopted that impact negatively on the Group.

3. DEVELOPMENT COSTS

The change in capitalized development costs for product developments is shown in the changes in intangible assets and property, plant and equipment (appendix to the notes to the consolidated financial statements). Expenses for research and development (without capitalized development

costs) in the financial year just ended totaled EUR 16,747 thousand (previous year: EUR 16,165 thousand).

The following overview shows the total expenditures for research and development:

	2025 EUR (in thsds.)	2024 EUR (in thsds.)
Capitalized development costs	1,287	3,891
Expenses not qualifying for capitalization	16,747	16,165
	18,034	20,056

4. OTHER INTANGIBLE ASSETS

The development of other intangible assets is shown in the changes in intangible assets and property, plant and equipment (appendix to the

notes to the consolidated financial statements). No impairment losses were recognized in addition to amortization.

5. OTHER FINANCIAL ASSETS

At the end of December 2019, Softing acquired a stake in a start-up company by way of a capital increase; this company is allocated to the Automotive segment. The equity interest acquired was less than 10%. An obligation to transfer an additional EUR 1,495 thousand to the capital reserves of the investee was written into the investment

agreement; this payment was made in early 2020. For subsequent measurement of the equity investment the Group decided to recognize the effects of changes in the fair value in profit or loss. The equity investment was sold in 2025 due to a sharp deterioration of business prospects.

6. PROPERTY, PLANT AND EQUIPMENT

The change in property, plant and equipment is shown in the changes in intangible assets and property, plant and equipment, which is attached to the consolidated financial statements. A right-of-use-asset shown in the property, plant and equipment from a lease for a building was written off because the building was no longer used. No other impairment losses were recognized. The Group has entered into leases for several properties, mostly for office space and, to a lesser extent, storage facilities. Other leases have been entered

into for vehicles. Rental agreements were concluded with terms of between one and five years and include extension options in some cases. The rights of use to motor vehicles cover the leased fleet. As of December 31, 2025, approximately 30 leases for vehicles with remaining terms of between one and four years had been concluded.

Please refer to note C16 for information on the corresponding lease liabilities.

7. INVENTORIES

	Dec. 31, 2025 EUR (in thsds.)	Dec. 31, 2024 EUR (in thsds.)
Raw materials and consumables	5,806	8,385
Finished goods	17,861	18,349
Inventories	23,667	26,734

Loss allowances recognized in 2025 total EUR 763 thousand (previous year: EUR 620 thousand). As in the previous year, no reversals of impairment losses were recognized in profit or loss. The

purchased inventories are subject to reservation of title until the purchase price receivable has been settled.

8. TRADE RECEIVABLES

Trade receivables are non-interest-bearing and are due in less than one year. All trade receivables are receivables from contracts with customers. Receivables management is being monitored more closely than before the coronavirus crisis, and 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.

Softing recognizes loss allowances for general credit losses using the expected loss model in accordance with IFRS 9.5.5. These are initially recognized through allowance accounts unless it can be assumed at the time the reason for the loss allowance arises that the receivable will be unrecoverable in full or in part. In such cases, the carrying amount of the receivables is written down directly through profit or loss.

	Carrying amount	Of which impaired receivables (level 3)	Of which neither past due nor impaired	Of which not impaired and past due within the following time bands			
				Less than 90 days	91 to 180 days	181 to 360 days	More than 360 days
Dec. 31, 2025	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)
Trade receivables (gross)	10,807	8	8,572	2,243	-20	4	0
Risk provision (level 2)	-17		-9	-9		0	0
Risk provision (level 3)	-8	-8					
Trade receivables (net)	10,782	0	8,563	2,234	-20	4	0

Changes in expected credit losses on trade receivables are shown in the following table:

As of Jan. 1, 2025 EUR (in thsds.)	Use EUR (in thsds.)	Reversal EUR (in thsds.)	Addition EUR (in thsds.)	As of Dec. 31, 2025 EUR (in thsds.)
433	410		1	24

	Carrying amount	Of which impaired receivables (level 3)	Of which neither past due nor impaired	Of which not impaired and past due within the following time bands			
				Less than 90 days	91 to 180 days	181 to 360 days	More than 360 days
Dec. 31, 2024	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)	EUR (in thsds.)
Trade receivables (gross)	13,682	404	11,326	1,859	13	79	0
Risk provision (level 2)	-29		-6	-1	-5	-17	0
Risk provision (level 3)	-404	-404					
Trade receivables (net)	13,249	0	11,320	1,858	8	62	0

Changes in expected credit losses on trade receivables are shown in the following table:

As of Jan. 1, 2024 EUR (in thsds.)	Use EUR (in thsds.)	Reversal EUR (in thsds.)	Addition EUR (in thsds.)	As of Dec. 31, 2024 EUR (in thsds.)
453	30		9	432

9. CURRENT OTHER FINANCIAL ASSETS

	Dec. 31, 2025 EUR (in thsds.)	Dec. 31, 2024 EUR (in thsds.)
Creditors with debit balances	669	226
Other financial assets	70	18
	739	244

10. CONTRACT ASSETS AND CONTRACT LIABILITIES

	Carrying amount	Of which neither past due nor impaired
Dec. 31, 2025	EUR (in thsds.)	EUR (in thsds.)
Contract assets (gross)	1,099	1,099
Risk provision (level 2)	0	0
Contract liabilities	5,479	5,479
Net amount	-4,380	-4,380

	Carrying amount	Of which neither past due nor impaired
Dec. 31, 2024	EUR (in thsds.)	EUR (in thsds.)
Contract assets (gross)	883	883
Risk provision (level 2)	0	0
Contract liabilities	4,863	4,863
Net amount	-3,980	-3,980

Revenue of EUR 3,489 thousand (previous year: EUR 2,624 thousand) from contracts with customers included in contract liabilities at the beginning of the period was recognized in the current period. A transaction price totaling EUR 7,445 thousand (previous year: EUR 6,677 thousand) is allocated to the performance obligations that were partly or entirely unsatisfied at the end of the reporting period. Softing will recognize EUR 6,921 thousand (previous year: EUR 5,969 thousand) of the

transaction price in the next reporting period and EUR 525 thousand (previous year: EUR 708 thousand) in subsequent periods. The transaction prices stated are prices for software maintenance agreements and customer-specific engineering work. For performance obligations with a maximum term of one year or where invoicing is based on fixed hourly rates, the transaction price is not stated in accordance with IFRS 15.

11. CURRENT INCOME TAX ASSETS

The current income tax assets mainly concern corporation tax/federal tax (USA) receivables amounting to EUR 149 thousand (previous year: EUR 198

thousand). The Group's taxes are described in detail in section D 9.

12. CASH AND CASH EQUIVALENTS

	Dec. 31, 2025 EUR (in thsds.)	Dec. 31, 2024 EUR (in thsds.)
Cash and cash equivalents	6,205	9,271

Cash and cash equivalents include cash and bank balances and are measured at their nominal value as of the balance sheet date. Bank balances comprise time deposits and current account funds. The time deposits can be liquidated within three months. Cash and cash equivalents are

not impacted significantly by foreign currencies. A review of the banks' ratings has not revealed any additional risks to cash. The maximum counterparty credit risk corresponds to the carrying amounts.

13. CURRENT NON-FINANCIAL ASSETS

	Dec. 31, 2025 EUR (in thsds.)	Dec. 31, 2024 EUR (in thsds.)
Receivables from employees	11	4
VAT receivables	51	31
Prepaid expenses/prepayments	820	872
Research grant receivables	1,467	1,749
Advances paid	3,051	4,609
Other non-financial assets incl. exchange differences	340	155
	5,740	7,420

14. EQUITY

Subscribed Capital

As of the balance sheet date, the fully paid-in share capital of the Company was EUR 9,925,881 (previous year: EUR 9,925,881 thousand). It is divided into 9,925,881 (previous year: 9,925,881) no-par-value bearer shares with a notional value of EUR 1 each. An average of 9,925,881 shares were outstanding in the reporting year (previous year: 9,178,004). Softing AG holds 0 of its own shares in treasury share (previous year: 0 shares)

Shareholders' voting rights are not restricted by law or the Company's Articles of Incorporation. The voting rights are not limited to a specific number of shares or votes.

For more information, please see the disclosures under Section 315 (4) German Commercial Code in the management report.

Authorized Capital

The Executive Board is authorized to increase the Company's share capital with the approval of the Supervisory Board once or several times by up to EUR 4,962,940.00 by issuing up to 4,962,940 new no-par bearer shares against contributions in cash and/or in kind (Authorized Capital 2025) until June 18, 2030. The Executive Board is also authorized to disapply shareholders' statutory pre-emptive right with the approval of the Supervisory Board, as necessary for offsetting fractional shares; if the shares are issued against in-kind contributions for the purpose of acquiring companies or equity interests in companies or business units or for the purpose of acquiring receivables from the given entity; if a capital increase against cash contributions does not exceed 20% of the share capital and the issue price of the new shares is not substantially lower than the share price pursuant to Section 186 (3) sentence 4 German Stock Corporation Act. Disapplying shareholders' pre-emptive right under other authorizations pursuant to Section 186 (3) sentence 4 German Stock Corporation Act shall be considered in connection with any

exercise of this authorization under the aforementioned statute.

The Executive Board is authorized to fix all other details of the capital increase and its implementation. The Supervisory Board is authorized to amend the Articles of Incorporation such that they reflect the extent of each capital increase from authorized capital.

The authorized capital as of December 31, 2025, was EUR 4,962,940 (previous year: EUR 3,732,190).

Profits for the year eligible for distribution were determined based on the net retained profits of Softing AG pursuant to the German Commercial Code.

Contingent Capital

The Executive Board is authorized to contingently increase the Company's share capital with the approval of the Supervisory Board by up to EUR 4,962,940.00 by issuing up to 4,962,940 new no-par bearer shares (Contingent Capital 2025). The contingent capital increase will serve the granting of option rights or obligations to the holders of warrants arising from bonds with warrants under the terms of the respective options or the granting of conversion rights or obligations to the holders of convertible bonds under the terms of the respective convertible bonds issued by the Company up to June 17, 2030 in accordance with the resolution of the General Shareholders' Meeting on June 18, 2025. The new shares will be issued at the respective option or conversion price to be determined in accordance with the above-mentioned authorization resolution. The contingent capital increase will be implemented only in the event that bonds with warrants or convertible bonds are issued and only to the extent that the holders of the bonds with warrants or the convertible bonds make use of their option or conversion right or the holders of bonds obligated to convert or to exercise the option fulfill this obligation and the contingent

capital is needed in accordance with the terms and conditions of the bond with warrants or the convertible bond. The new shares issued on the basis of the exercise of the option or conversion right or the fulfillment of the conversion or option obligation have a share in the profit from the beginning of the financial year in which they arise. The Executive Board is authorized, with the approval of the Supervisory Board, to stipulate the further details of the implementation of the contingent capital increase. Said authority was not exercised to date.

Capital Reserves

The capital reserves contain the premium on the issue of shares less transaction costs.

Treasury Shares

The General Shareholders' Meeting authorized the Executive Board on June 18, 2025 to purchase treasury shares of the Company and to accept treasury shares of the Company in pledge in the period up to June 17, 2030. Said authority was not exercised in financial year 2025. The treasury shares most recently purchased in 2020 were purchased on the basis of the authorization granted by the General Shareholders' Meeting on May 4, 2016. As of the reporting date, Softing AG held 0 shares in treasury, as in the previous year. Until August 11, 2024, Softing reported its treasury shares in its statement

of financial position by means of the cost method. The cost of these treasury shares is thus presented within the scope of a separate item within equity as a deductible item. The changes in consolidated equity including the changes from acquisitions are presented in the "Consolidated Statement of Changes in Equity" 2025/2024.

Retained Earnings

Retained earnings include the accumulated, undistributed profits of the companies included in the consolidated financial statements. No dividend was paid out in the 2025 financial year for 2024 (previous year: EUR 0.13). The Executive Board proposes not to pay a dividend for financial year 2025.

Retained earnings also include the differences from the currency translation and the associated deferred taxes of transactions made by foreign subsidiaries, and the remeasurements from pension obligations and their deferred tax effects not recognized through profit or loss.

Non-controlling Interests

The non-controlling interests in the amount of EUR 636 thousand (previous year: EUR 905 thousand) concern other shareholders in Austria and China.

15. PENSIONS

This item concerns the partially reinsured and defined benefit pension commitments granted to the three former members and one current member of the Executive Board, which provide for life-long retirement and widow's benefits, as well as orphans' benefits in the event one or both parents are lost. There is a variable commitment in addition to a fixed commitment. The amount of benefits is determined individually. The liabilities in connection with the pension plans are determined annually by independent experts in accordance with the projected unit credit method. The

fair value of the reinsurance cover of EUR 3,744 thousand (previous year: EUR 3,797 thousand) was offset against pension provisions. Actuarial remeasurements were recognized immediately in retained earnings in accordance with IAS 19.120. The cumulative gains and losses reported in this item were EUR -709 thousand as of December 31, 2025 (previous year: EUR -994 thousand).

The pensions under variable commitments increase or decrease in line with the change in the Consumer Price Index for Germany (2020 = 100).

It fell from 123 points to 122 points on average between 2024 and 2025.

The actuarial assumptions on which the calculation is based are summarized in the following table:

Basis of calculation	Dec. 31, 2025 %	Dec. 31, 2024 %
Assumed interest rate	4.10	3.50
Salary trend	0.0	0.0
Expected rate of pension increase	2.0	2.0
Anticipated employee turnover rate	0.0	0.0

Development of the obligation	2025 EUR (in thsds.)	2024 EUR (in thsds.)
DBO as of January 1	5,095	4,554
Service cost	0	115
Interest expense	173	170
Pension payments to pensioners	-202	-202
Expected DBO as of December 31	5,066	4,637
Remeasurements, of which		
Effects from adjusting the assumed interest rate	-375	458
Effects from changes in trend assumptions	0	0
Effects from experience adjustments	0	0
Actual DBO as of December 31	4,691	5,095

The average remaining life of the obligation is 11.08 years (previous year: 11.97 years).

Calculation of annual income and annual expense	2025 EUR (in thsds.)	2024 EUR (in thsds.)
Interest income	131	141
Interest expense	-173	-170
Service cost	0	-115
Annual expense	-42	-155

Development of plan assets	2025 EUR (in thsds.)	2024 EUR (in thsds.)
Plan assets as of January 1	3,796	3,662
Payment from plan assets	-93	-94
Payments into the employer's plan assets	0	107
Interest earned from plan assets	131	141
Adjustment of plan assets	-90	-20
Plan assets as of December 31	3,744	3,796

Only reinsurance policies not quoted on an active market are taken out to hedge portions of the obligations arising from pensions. Each of these

policies relates directly to the underlying pension commitment. The expected contributions to plan assets amount to EUR 0 thousand in 2025.

Reconciliation with the statement of financial position	Dec. 31, 2025 %	Dec. 31, 2024 %
Present value of the defined benefit obligations (DBO)	4,691	5,095
Fair value of the external plan assets	3,744	3,796
Provision	947	1,299

Development of the provision	2025 EUR (in thsds.)	2024 EUR (in thsds.)
Provision as of January 1	1,299	891
Service cost	0	115
Net interest expense	42	29
Remeasurements	-285	479
Pension payments	-202	-202
Benefit payment from plan assets	93	94
Payments into plan assets	0	-107
Provisions as of December 31	947	1,299

The sensitivity of the overall pension obligation to changes in the weighted main assumptions is:

	Effect on the obligation	
	Change Assumption	Change Assumption
Relative effect of interest rate change on DBO 2025	+0.25 pp -2.61%	-0.25 pp 2.74%
Relative effect of interest rate change on DBO 2024	+0.25 pp -2.79%	-0.25 pp 2.93%

	Effect on the obligation	
	Change Assumption	Change Assumption
Relative effect of a change in the pension trend on DBO 2025	+0.25 pp +0.85%	-0.25 pp -0.82%
Relative effect of a change in the pension trend on DBO 2024	+0.25 pp +0.92%	-0.25 pp -0.894%

No sensitivity analysis based on life expectancy was presented because participants in question include only three former beneficiaries and one active beneficiary.

The sensitivities were determined by changing one parameter while leaving all other parameters unchanged.

Pension payments of EUR 314 thousand (previous year: EUR 310 thousand) are expected for the 2026 financial year. Contributions to the plan are expected to be EUR 0 thousand (previous year: EUR 107 thousand), and interest income is expected to be EUR 152 thousand (previous year: EUR 173 thousand).

16. LONG-TERM BORROWINGS AND OTHER NON-CURRENT FINANCIAL LIABILITIES

In 2019, the long-term borrowings were renegotiated with the principal banks, the long-term existing debt was extinguished and new loans totaling EUR 14,000 thousand were taken out; these loans were defined as redemption-free for two years and will subsequently be repaid on a straight-line basis/quarterly within five years. Softing AG also received a loan of EUR 2,500 thousand in 2022. This loan has a term of three years and is due for repayment in one lump sum at the end of the term.

In 2019, the long-term borrowings were renegotiated with the principal banks. This long-term legacy debt was extinguished in 2025 except for a remaining EUR 750 thousand and new loans totaling EUR 6,000 thousand were taken out in 2024. These loans were defined as redemption-free for two years and will subsequently be repaid on a straight-line basis/quarterly within three years.

In the course of obtaining these loans, Softing AG agreed to comply with financial covenants entailing an obligation to maintain certain financial ratios. The financial covenants require Softing to maintain a specified equity ratio and not exceed a maximum debt-to-equity ratio for the Group. During the financial year, Softing AG had no problem fulfilling the covenant regarding equity ratio and also met the covenant regarding maximum debt-to-equity ratio. The non-current portion of these loans amounted to EUR 4,425 thousand as of December 31, 2025 (previous year: EUR 7,050 thousand).

There are also loans of EUR 24 thousand that mature in 2027 and loans taken out by a subsidiary from a bank.

Some elements of the Executive Board remuneration were not paid out in recent years due to the economic crises, with payment of those elements deferred. An amount of EUR 4,607 thousand (previous year: EUR 4,607 thousand) is therefore included in other non-current liabilities. The increased cash flow attributable to this waiver was used to support the economic situation.

As of the balance sheet date, the lease liabilities had a carrying amount of EUR 5,907 thousand (previous year: EUR 7,663 thousand), divided into non-current lease liabilities of EUR 4,559 thousand (previous year: EUR 6,187 thousand) and current lease liabilities of EUR 1,348 thousand (previous year: EUR 1,475 thousand).

In financial year 2025, other financial lease liabilities were repaid in the amount of EUR 1,547 thousand (previous year: EUR 1,534 thousand) and an interest portion of EUR 246 thousand (previous year: EUR 279 thousand) on leases was paid. Total cash outflow for leases including variable lease payments and payments in connection with current leases, as well as leases of low-value assets, came to EUR 1,793 thousand in financial year 2025 (previous year: EUR 1,813 thousand). As of the balance sheet date, EUR 5,907 thousand (previous

year: EUR 7,663 thousand) was recognized for future cash outflows.

Possible future cash outflows of EUR 0 thousand (previous year: EUR 65 thousand) were not included in the lease liability because it is not reasonably certain that the lease will be extended (or not terminated). As of December 31, 2025, there were future cash outflows of EUR 0 thousand (previous year: EUR 0 thousand) for leases that the Softing Group had entered into as the lessee as of the balance sheet date but which have not yet commenced.

As of December 31, 2025, the Group was bound by current leases for which the corresponding exemption option was utilized. The total obligation as of this date approximates the expense incurred in the financial year.

The right-of-use-assets under leases are recognized under property, plant and equipment with carrying amounts of EUR 5,264 thousand (previous year: EUR 7,225 thousand).

Lease liabilities resulting in particular from property leases and vehicle leases are repaid in monthly installments through the end of the lease term.

In the financial year, expenses for current leases for which the Group made use of the practical expedients amounted to EUR 2 thousand (previous year: EUR 2 thousand) and expenses for leases of low-value assets stood at EUR 1 thousand (previous year: EUR 1 thousand).

The outlay for variable lease payments not included in the measurement of the lease liabilities was EUR 0 thousand in the financial year (previous year: EUR 0 thousand).

17. TRADE PAYABLES

The trade payables of EUR 10,551 thousand (previous year: EUR 13,470 thousand) exclusively concern current payables toward non-Group third parties for supplied goods and services. All trade payables are due and payable within one year. One customer made a prepayment of EUR 4,279

thousand to secure their inventory. This amount will be credited to the customer in the coming years after delivery of finished products. This resulted in a liability to this customer until the contract is fulfilled.

18. PROVISIONS

The other provisions are recognized for all other contingent liabilities and risks of the Softing Group toward third parties. They are recognized only if utilization is probable and the amount of the

obligation can be estimated reliably. The amount recognized is the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

	As of Jan. 1, 2025 EUR (in thsds.)	Use EUR (in thsds.)	Reversal EUR (in thsds.)	Addition EUR (in thsds.)	Currency EUR (in thsds.)	As of Dec. 31, 2025 EUR (in thsds.)
Warranties	107	28	6	104	2	175
Other	0	25	48	79	0	6
Total	107	53	54	183	2	181

This exclusively comprises current provisions that are estimated to become due within one year.

19. INCOME TAX LIABILITIES

In the financial year just ended, liabilities of EUR 930 thousand (previous year: EUR 458 thousand) were

recognized for expected tax payments. The Group's taxes are described in detail in note D9.

20. SHORT-TERM BORROWINGS

Short-term borrowings amount to EUR 7,642 thousand (previous year: EUR 9,351 thousand), which

in the financial year relates to the utilization of overdraft lines of credit.

21. OTHER CURRENT FINANCIAL LIABILITIES

	Dec. 31, 2025 EUR (in thsds.)	Dec. 31, 2024 EUR (in thsds.)
Wages and salaries payable	2,592	2,557
Lease liabilities (< 1 year)	1,349	1,475
Other	1,309	307
	5,250	4,339

22. CURRENT NON-FINANCIAL LIABILITIES

	Dec. 31, 2025 EUR (in thsds.)	Dec. 31, 2024 EUR (in thsds.)
Liabilities related to social security	167	240
Other tax liabilities primarily (sales and wage tax)	487	399
Other	95	356
	749	995

D. NOTES TO THE CONSOLIDATED INCOME STATEMENT

1. REVENUE

Revenue by regions:	2025 EUR (in thsds.)	2024 EUR (in thsds.)
Germany	29,611	32,662
USA	26,918	32,706
Other countries	28,362	29,688
	84,891	95,056

Revenue by products and services:	2025 EUR (in thsds.)	2024 EUR (in thsds.)
Products	67,112	76,501
Services	17,779	18,555
	84,891	95,056

Revenue recognized at a point in time/over time:	2025 EUR (in thsds.)	2024 EUR (in thsds.)
Point in time	67,112	76,501
Of which products:	67,112	76,501
Of which services:	0	0
Over time	17,779	18,555
Of which products:	0	0
Of which services:	17,779	18,555
	84,891	95,056

In 2025, one customer in the Industrial Automation segment who was responsible for revenue of EUR 9,414 thousand (previous year: EUR 16,100 thousand) and 11% (previous year: 17%) of

consolidated revenue exceeded the revenue threshold of 10%. For detailed information on operating segments, we refer to the segment reporting (see chapter E1).

2. OTHER OWN WORK CAPITALIZED

Other own work capitalized concerns costs for/ investments in the development of new products.

Most of these costs are personnel costs of the development departments and the associated costs.

3. OTHER OPERATING INCOME

The other operating income comprises the following items:	2025 EUR (in thsds.)	2024 EUR (in thsds.)
Income from exchange differences	164	242
Income from insurance benefits	15	54
Revenue from the reduction of loss allowances	0	1
Income from the sale of assets	22	0
Recharged costs	0	0
Research grants	1,467	1,237
Income from commissions	0	15
Income from the sales of businesses	515	0
Other income	121	177
	2,304	1,726

4. COST OF MATERIALS

	2025 EUR (in thsds.)	2024 EUR (in thsds.)
Purchase of components and products	31,893	34,306
Third-party services	799	1,433
	32,692	35,739

5. STAFF COSTS

	2025 EUR (in thsds.)	2024 EUR (in thsds.)
Current salaries	30,649	33,495
Social security and retirement benefit costs	5,417	5,425
Profit-sharing, royalties	2,298	2,028
Use of company cars by employees	-118	-5
Other temporary workers	264	443
	38,510	41,386

The statutory pension scheme in Germany is treated as a defined contribution scheme.

Expenses recognized for the statutory pension scheme total EUR 1,499 thousand (previous year: EUR 1,780 thousand). The service cost for pension provisions amounts to EUR 0 thousand (previous year: EUR 115 thousand).

6. DEPRECIATION, AMORTIZATION AND IMPAIRMENT OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

Depreciation, amortization and impairment losses are listed in detail in the statement of changes in non-current assets (appendix to the notes to the consolidated financial statements). As in the

previous year, no impairment losses were recognized on goodwill or internally generated intangible assets in financial year 2025.

7. OTHER OPERATING EXPENSES

The other operating expenses are as follows:	2025 EUR (in thsds.)	2024 EUR (in thsds.)
Employee-related costs	374	356
Infrastructure costs	3,412	3,459
Distribution costs	3,305	3,500
Consulting costs	1,238	1,135
Third-party services	2,336	2,073
Capital market costs	293	339
Contributions and fees	138	121
Operating costs	343	445
Exchange differences	546	233
Other product development expenses	747	1,655
Other costs	585	746
	13,317	14,062

8. INTEREST INCOME/INTEREST EXPENSE AND OTHER FINANCE INCOME AND COSTS

The financial result comprises interest expense, interest income and other finance income/costs.

The total interest expense breaks down as follows:	2025 EUR (in thsds.)	2024 EUR (in thsds.)
Other interest expense		
Interest from unwinding of discounts on provisions	173	170
Interest on loans	602	595
Other interest	73	95
Total other interest expense	848	860
Interest from IFRS 16 lease accounting	246	279
	1,094	1,139

Interest income comprises the following items:	2025 EUR (in thsds.)	2024 EUR (in thsds.)
Interest income from pension provisions	131	141
Other interest	7	29
	138	170

9. INCOME TAXES

The income tax expense breaks down as follows:	2025 EUR (in thsds.)	2024 EUR (in thsds.)
Deferred taxes on temporary differences	1,010	60
Deferred taxes on tax loss carryforwards	878	-126
Total deferred tax expense/income	1,888	-66
Current tax expense/income financial year	-827	-536
Current tax expense/income previous year	62	-20
Total current tax expense/income	-765	-556
	1,123	-662
Effective tax rate	17.31%	-68.61%

Deferred taxes are recognized for temporary differences between the amounts recognized for financial reporting purposes and the amounts recognized for tax purposes, and for any differences arising from uniform measurement and consolidation

within the Group. Deferred taxes are determined based on the applicable country-specific tax rates. The underlying domestic tax rate, which has not changed compared to the previous year, is determined as follows:

	2025 %	2024 %
Corporation tax including solidarity surcharge	15.83	15.83
Trade tax rate	12.25	12.25
	28.08	28.08

The deferred tax assets on tax loss carryforwards in Germany and abroad were recognized because in the Group's opinion the loss carryforwards are not impaired in the amount recognized due to positive

tax forecasts and a positive market outlook as of the balance sheet date.

The tax loss carryforwards of the individual companies are as follows:

	Dec. 31, 2025 EUR (in thsds.)	Dec. 31, 2024 EUR (in thsds.)	Usable until
Softing AG (trade tax)	7,858	3,888	Unlimited
Softing AG (corporation tax)	7,034	2,850	Unlimited
Softing Singapore	7,036	7,424	Unlimited
Softing North America Holding (State)	0	0	Unlimited
GlobalmatiX AG	13,241	9,140	Unlimited

Of the total tax loss carryforwards in the amount of EUR 35,169 thousand (previous year: EUR 24,441 thousand), EUR 15,039 thousand (previous year: EUR 7,906 thousand) was recognized on deferred tax assets. No deferred tax assets were recognized for tax loss carryforwards of EUR 20,130 thousand (previous year: EUR 16,535 thousand).

The current income tax income (previous year: tax expense) is derived as follows from the expected tax income (previous year: tax expense). As in the previous year, the calculation for the Group is based on the tax rate applicable for Softing AG, as this company is responsible for the main part of the Group's business.

	2025 EUR (in thsds.)	2024 EUR (in thsds.)
Earnings before taxes	-6,488	-907
Expected tax income/expense (28.08%)	-1,822	-255
Tax additions and deductions	-451	-182
Impairment of goodwill	0	0
Different tax rates	463	577
Other deferred taxes, temporary differences, loss carryforwards not recognized	677	559
Taxes, previous years/withholding tax/other	10	-37
Current tax expense shown in the income statement	-1,123	662

Deferred tax assets and deferred tax liabilities are allocable to the following items:

	2025 EUR (in thsds.)		2024 EUR (in thsds.)	
	Assets	Liabilities	Assets	Liabilities
Intangible assets	221	5,736	201	6,030
Pension provision	291		395	
(Of which recognized directly in equity)	(277)		(366)	
Contract assets/trade payables and trade receivables	151	48	43	456
Other provisions	0		0	
Current assets				
Future tax benefits from loss carryforwards	2,101		1,276	
Netting	-2,076	-2,076	-1,197	-1,197
Gross amount/carrying amount	688	3,708	718	5,289

E. OTHER DISCLOSURES

1. OPERATING SEGMENTS BY PRODUCT AND COMPANY

For the purpose of corporate management, the Group has business units based on the products and services offered. These business units are primarily reflected in individual Group entities. The Group has the following three reportable operating segments:

Industrial Automation Segment

This segment comprises the entities Softing Industrial Automation GmbH, Softing Inc., Softing Industrial Automation s.r.l., Buxbaum Automation GmbH, Holding Softing North America Inc. and DELTA LOGIC Automatisierungstechnik GmbH, as these entities mainly develop, manufacture and sell the following industrial products and applications:

Products and services for integrating communication functions in automation systems and devices, specifically for standards such as PROFIBUS, PROFINET, EthernetIP, EtherCAT, Powerlink, Modbus, CAN, CANopen, DeviceNet, FOUNDATION Fieldbus and (wireless) HART;

Interface cards, integration modules, chip solutions and communications software (stacks) for implementing bus links in systems and devices used in process and production automation;

Gateways for linking fieldbuses to Ethernet-based communication systems and groupwide planning and administration systems;

Tools for configuring networks, as well as toolkits for integrating configuration functions into the engineering systems of automation system manufacturers;

Tools and devices for signal and protocol analysis of industrial communication networks;

OPC servers, OPC middleware and development tools for OPC Clients and Servers (Toolkits); and

Development and import of motors and geared motors for various applications, as well as offering specialized expertise in AC, DC, brushless, induction and shielded pole technologies.

Automotive Segment

The segment comprises the entities Softing Automotive Electronics GmbH, Softing Engineering & Solutions GmbH, Globalmatix AG and Globalmatix GmbH, which manufacture and sell the following automotive products and applications:

Vehicle Adapters and Data Bus Interfaces

Interfaces for CAN, K-Line, LIN, Ethernet and FlexRay data bus systems in different form factors with a variety of PC connections such as USB, WLAN, Bluetooth, PCI, PCIexpress, PC/104 and PCMCIA. Programming interfaces compliant with ISO and other standards as well as customized adaptations. Special solutions for development/testing, production and service.

Diagnostic Tools

Diagnostic solutions for development/testing, production and service. Editors for diagnostic data. Diagnostic servers for the real-time processing of diagnostic data based on ISO and customer standards. Customized and proprietary analytic tools for diagnostic data. ODX and OTX solutions play an important role in this context.

Test Automation

Software interfaces for connecting diagnostic servers to production systems. Editing and runtime systems for test sequences with connections to numerous third-party products. Customized test stations for development, quality assurance and production. Solutions for the flash programming of control units. Devices for simulating electronic control units and rest bus systems.

Customized Development

Customer-specific software and hardware developments for data communication/diagnosis/test systems.

Resident Engineering

On-site customer support in the form of consultation, project management and project participation as well as development activities in the fields of data communication, diagnosis, trade fairs and test systems.

Measurement Technology

Softing measurement technology (SMT) represents a unique system whose development was driven entirely by automotive developments. This results in a broad range of applications for test rigs or "raw" mobile applications in vehicle testing. Application of this comprehensive measurement and automation system is not limited to automotive technology at all; indeed, it is well suited for applications in any industrial environment.

Remote Diagnostics Telematics Services

The use of Globalmatix telematics solutions creates the prerequisites for the complete digitalization of a connected car concept (connecting the vehicle with the possibilities of cloud technologies). This will simplify complex return processes for rental cars, car sharing models and vehicle subscription provider in a customer-friendly way and make them more cost-effective.

IT Networks Segment

The IT Networks segment comprises the subsidiaries Softing IT Networks GmbH, Softing Singapore and Softing France. The product portfolio includes diagnostic devices for Ethernet networks in the automation industry and for the diagnosis of copper and optical fiber networks in data centers and office installations.

Other Segment

The Other segment comprises the entities Softing Services GmbH, Softing Romania, Softing China and Softing AG insofar as these do not provide services for other segments and costs are charged to them.

2. SEGMENT REPORTING

Segmentation is primarily along the main product groups and use cases, with these being mainly reflected in the Group companies that manufacture and distribute the respective main products. The activities of the Group are segmented in accordance with IFRS 8 using the management

approach. Segmentation is based on the Group's internal reporting and organizational structure, taking into account the different risks and income structures of each individual division. The corporate divisions are shown in the following table in accordance with IFRS 8.

	Industrial		Automotive		IT Networks		Other		Total segments		Other consolidation		Total	
	2025 EUR (in thds.)	2024 EUR (in thds.)	2025 EUR (in thds.)	2024 EUR (in thds.)	2025 EUR (in thds.)	2024 EUR (in thds.)	2025 EUR (in thds.)	2024 EUR (in thds.)	2025 EUR (in thds.)	2024 EUR (in thds.)	2025 EUR (in thds.)	2024 EUR (in thds.)	2025 EUR (in thds.)	2024 EUR (in thds.)
Revenues with third parties	47,513	60,768	27,162	25,975	5,710	5,274	4,507	3,038	84,891	95,056	0	0	84,891	95,056
Revenues with other segments	245	274	1,943	184	1,943	1,630	0	0	4,011	2,088	-4,011	-2,088	0	0
Total revenue	47,759	61,042	29,105	26,159	7,532	6,905	4,507	3,038	88,903	97,144	-4,011	-2,088	84,891	95,056
Depreciation/ amortization	-2,757	-3,736	-4,021	-3,567	-1,536	-1,360	-1,190	-1,631	-9,505	-10,294	0	1,305	-9,505	-8,989
Impairment of assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating segment result	1,046	4,257	993	-59	-2,378	-2,910	-582	923	-920	2,211	752	676	-168	2,887
EBIT	-699	3,000	-622	608	-3,394	-3,818	-519	998	-5,234	789	-308	-291	-5,542	497
Segment assets	80,746	94,449	38,949	40,748	10,876	11,718	-11,518	-6,079	119,052	140,836	-21,343	-25,949	97,709	114,886
of which IFRS 16	2,453	3,362	628	830	47	174	2,136	2,859	5,264	7,225	0	0	5,264	7,225
Segment liabilities	16,859	23,943	24,264	25,779	12,469	12,422	49,865	54,539	103,457	116,683	-54,414	-58,653	49,043	58,030
of which IFRS 16	2,423	3,117	575	759	10	20	1,551	2,292	4,559	6,187	0	0	4,559	6,187
Capital expenditure	691	4,229	1,032	3,233	348	348	1,045	190	3,116	8,001	1,666	0	4,782	8,001

Revenue from contracts with customers recognized over time	Industrial		Automotive		IT Networks		Other		Total	
	2025 EUR (in thds.)	2024 EUR (in thds.)	2025 EUR (in thds.)	2024 EUR (in thds.)	2025 EUR (in thds.)	2024 EUR (in thds.)	2025 EUR (in thds.)	2024 EUR (in thds.)	2025 EUR (in thds.)	2024 EUR (in thds.)
Point in time	44,594	57,088	12,336	11,142	5,676	5,233	4,507	3,038	67,112	76,501
Over time	2,919	3,680	14,825	14,834	34	41	0	0	17,779	18,555
Total	47,513	60,768	27,162	25,976	5,710	5,274	4,507	3,038	84,891	95,056

Earnings before interest and taxes (EBIT) and the resulting operating EBIT of EUR -168 thousand (previous year: EUR 2,887 thousand) are the key parameters for evaluating and managing a

segment's earnings. Operating EBIT corresponds to EBIT shown in the consolidated income statement adjusted for capitalized development costs of EUR 1,287 thousand (previous year: EUR 3,891

thousand) and amortization of internally generated and third-party product developments of EUR 4,781 thousand (previous year: EUR 4,613 thousand), and depreciation and amortization from purchase price allocation of 1,880 thousand (previous year: EUR 1,667 thousand).

With the exception of the write-downs, other income and expense items are not regularly reviewed at the segment level by the responsible corporate department, given their secondary importance to the Group, and thus are not presented by segment.

Geographical segments	Revenue		Fixed assets		Additions to fixed assets	
	2025 EUR (in thsd.)	2024 EUR (in thsd.)	2025 EUR (in thsd.)	2024 EUR (in thsd.)	2025 EUR (in thsd.)	2024 EUR (in thsd.)
Germany	29,611	32,662	18,436	21,131	4,326	4,500
USA	26,918	32,706	16,403	19,671	209	3,257
Other countries	28,362	29,687	13,802	15,325	247	244
Total	84,891	95,056	48,641	56,126	4,782	8,001

The regional allocation of revenue is based on customer address.

Segment information is based on the same accounting principles as the consolidated financial statements. The segments are assessed on the basis of operating results, with financing and tax

effects not taken into account. For a reconciliation from earnings before taxes, please refer to the consolidated income statement.

With regard to information on key customers, please refer to the notes under D.1.

3. STATEMENT OF CASH FLOWS

The statement of cash flows represents the consolidated cash flows of the consolidated companies; it was determined indirectly.

The cash and cash equivalents shown in the statement of cash flows comprise cash on hand and bank balances.

Liabilities from financing activities at Softing include the short-term and long-term borrowings presented separately in the statement of financial

position and, since 2019, current and non-current lease liabilities in accordance with IFRS 16. The latter are presented in the statement of financial position under other current and non-current financial liabilities.

For the reconciliation of the change in liabilities from financing activities, Softing does not divide the corresponding amounts by maturity. The reconciliation was as follows:

Changes in liabilities arising from financing activities	EUR (in thsds.)	EUR (in thsds.)
	Borrowings	Leases
Liabilities from financing activities as of January 1, 2024	14,832	5,546
Cash flows	1,575	-1,534
Acquisitions of leases		3,243
Exchange rate changes		158
Changes in fair value		249
Liabilities from financing activities as of December 31, 2024	16,407	7,662
Cash flows	4,333	-1,547
Acquisitions of leases		259
Exchange rate changes		-360
Changes in fair value		-107
Liabilities from financing activities as of December 31, 2025	12,074	5,907

Borrowings consist of short-term borrowings of EUR 7,642 thousand (previous year: EUR 9,351 thousand) and long-term borrowings of EUR 4,431 thousand (previous year: EUR 7,056 thousand).

Leases consist of non-current leases of EUR 1,349 thousand (previous year: EUR 1,475 thousand) and long-term borrowings of EUR 4,558 thousand (previous year: EUR 6,187 thousand).

4. EARNINGS PER SHARE IAS 33

		2025	2024
Consolidated profit/loss attributable to shareholders of Softing AG (diluted = basic consolidated profit/loss)	EUR (in thsds.)	-5,096	-1,823
Non-controlling interests	EUR (in thsds.)	-269	254
Consolidated profit/loss	EUR (in thsds.)	-5,365	-1,569
Weighted average number of shares			
Basic	Number	9,925,881	9,015,381
Diluted	Number	9,925,881	9,015,381
Basic earnings per share	EUR	-0.54	-0.17
Diluted earnings per share	EUR	-0.54	-0.17

As in the previous year, no options rights exist as of December 31, 2025, which could influence diluted earnings per share in the future.

5. RELATED PARTIES

Besides the companies included in the consolidated financial statements, the members of the Executive Board and of the Supervisory Board are considered related parties of the Softing Group as defined in IAS 24, both in their function as members of corporate boards and, in some cases, as shareholders.

In addition, Trier Vermögensverwaltung GmbH & Co. KG, which holds an equity interest of 20.6% (2,042,302) in the Company, is a related party. Since December 7, 2020, the voting rights have been attributed to Trier Asset Management GmbH, Trier Familienstiftung and Mr. Gerhard Hönig.

Mr. Alois Widmann, Managing Director of Globalmatix AG, holds 1,450,000 (previous year: 1,450,000) shares, i.e. 14.6% of Softing's shares.

The dividend payment to the major shareholder amounted to EUR 0 thousand in the 2025 financial year (previous year: EUR 454 thousand).

The key management personnel at Softing in accordance with IAS 24 consists of the Executive Board and the Supervisory Board, and the executive management of Globalmatix AG, because that executive management holds 19.3% of the shares in Softing AG and has a material influence on the future strategy of the Company. We refer to notes E12 and E13 for information regarding the remuneration of the Supervisory Board and the Executive Board.

The Chairman of the Company's Executive Board, Dr. Wolfgang Trier, held 166,234 shares in Softing AG as of December 31, 2025 (previous year: 166,234).

The Executive Board member Ernst Homolka held 10,900 shares in Softing AG as of December 31, 2025 (previous year: 10,900 shares).

The Supervisory Board member Dr. Klaus Fuchs held 278,820 shares in Softing AG as of December 31, 2025 (previous year: 278,820).

The Supervisory Board member Andreas Kratzer held 10,158 shares in Softing AG as of December 31, 2025 (previous year: 10,158).

The managing director of Globalmatix AG held 1,450,000 shares in Softing AG as of December 31, 2025 (previous year: 1,450,000).

Dividends totalling EUR 0 thousand (previous year: EUR 249 thousand) were paid to key management personnel in the financial year under review, in each case based on their equity interest held at the time of dividend payment.

The total remuneration of related parties in key positions amounts to EUR 1,474 thousand (previous year: EUR 2,146 thousand).

Transactions with Related Parties (Persons):

The Supervisory Board member Dr. Fuchs received a total fee of EUR 51 thousand (previous year: EUR 38 thousand) for providing consulting services in connection with the coordination of Softing IT Networks.

Terms of Transactions with Related Parties (Persons):

Group companies acquired assets from xTCU AG in financial year 2025 and 2024 at arm's length conditions. A person in a key position of the Group is a controlling shareholder of xTCU AG. A contract exists between the Group and xTCU AG for the supply of technical components, development services and licensing.

In addition, office and accounting services are procured from a related party.

The transactions were of the following value:

	Value of transactions in EUR thousand		Balances outstanding in EUR thousand	
	2025	2024	2025	2024
Purchase of services				
Other related parties (persons)	0	116	0	38
Company under the control of a related party (person)	150	350	0	0
Sale of goods and purchase of services				
Company under the control of a related party (person)	0	955	955	955

6. CONTINGENT LIABILITIES

As of the balance sheet date, the subsidiaries have provided EUR 14,365 thousand (previous year: EUR 14,365 thousand) in guarantees to collateral-

ize loans of Softing AG and overdraft lines of credit of Softing AG. Most of the guarantees were provided in connection with refinancing carried out.

7. OTHER FINANCIAL OBLIGATIONS

As of the balance sheet date, the Company had incurred purchase commitments in the amount of EUR 11,393 thousand under long-term contracts (previous year: EUR 18,938 thousand). As in the

previous year, there were no purchase commitments for intangible assets and property, plant and equipment as of the balance sheet date.

8. GOVERNMENT GRANTS

	2025 EUR (in thsds.)	2024 EUR (in thsds.)
As of January 1, 2025	0	0
Received in the financial year	1,467	1,273
of which reversed through profit or loss	1,467	1,273
As of December 31, 2025	0	0

The Group received grants for a research project in the field of autonomous driving amounting to EUR 0 thousand (previous year: EUR 69 thousand) and EUR 1,273 thousand for further research projects (previous year: EUR 184 thousand) in the

financial year now ended. Further grants under research projects from 2022 to 2025, amounting to EUR 1,467 thousand, were approved in 2025 and recognized as receivables in profit or loss.

9. DISCLOSURE OF THE CARRYING AMOUNTS OF THE INDIVIDUAL CATEGORIES OF FINANCIAL INSTRUMENTS ACCORDING TO IFRS 7

Fair Values of Financial Instruments

The following table shows both the carrying amounts and the fair values of all financial instruments recognized in the consolidated financial statements that fall within the scope of IFRS 7. Almost all of the fair values correspond to

the carrying amounts because, with the exception of cash, the financial instruments recognized almost solely comprise non-derivative current receivables and liabilities. As in the previous year, there were no financial instruments as of December 31, 2025, for which IFRS 7 is not applicable.

EUR (in thsds.)	Categories acc. to IFRS 9	Carrying amount	Measurement acc. to IFRS 9			Fair value	Hierarchy level
			Dec. 31, 2025	Amortized cost	Fair value OCI		
Financial assets by class							
Non-current financial assets							
Other investments	FVTPL	0			0	0	Level 3
Current financial assets							
Trade receivables	AC	10,783	10,783			10,783	Level 2
Current other financial assets	AC	739	739			739	Level 2
Cash and cash equivalents	AC	6,205	6,205			6,205	Level 2
Financial liabilities by class							
Non-current financial liabilities							
Long-term borrowings	FLAC	4,431	4,431			4,327	Level 2
Other non-current financial liabilities		9,175					
of which liabilities from lease accounting	n/a	4,559	n/a				
of which long-term repayment obligation	FLAC	4,616	4,616			4,616	
Current financial liabilities							
Trade payables	FLAC	10,551	10,551			10,551	Level 2
Short-term borrowings	FLAC	7,642	7,642			7,642	Level 2
Other current financial liabilities							
of which liabilities from lease accounting	n/a	1,349	n/a				
of which miscellaneous other current financial liabilities	FLAC	3,901	5,007			4,258	Level 2

Carrying amount by category	Category	Dec. 31, 2025 EUR (in thsds.)
Financial assets at amortized cost	AC	17,727
Financial assets at fair value through profit or loss	FVTPL	0
Financial liabilities at amortized cost	FLAC	31,141

EUR (in thsds.)	Catego- ries acc. to IFRS 9	Carrying amount	Measure- ment acc. to IFRS 9	Fair value		Hierarchy level
		Dec. 31, 2024	Amortized cost	Fair value OCI	Fair value PL	Dec. 31, 2024
Financial assets by class						
Non-current financial assets						
Other investments	FVTPL	0			0	0
Current financial assets						
Trade receivables	AC	13,249	13,249			13,249
Current other financial assets	AC	244	244			244
Cash and cash equivalents	AC	9,271	9,271			9,271
Financial liabilities by class						
Non-current financial liabilities						
Long-term borrowings	FLAC	7,056	7,056			6,180
Other non-current financial liabilities		10,804				
of which liabilities from lease accounting	n/a	6,187	n/a			
of which long-term repayment obligation	FLAC	4,607	4,667			4,667
Current financial liabilities						
Trade payables	FLAC	13,648	13,648			13,648
Short-term borrowings	FLAC	9,351	9,351			9,176
Other current financial liabilities						
of which liabilities from lease accounting	n/a	1,475	n/a			
of which miscellaneous other current financial liabilities	FLAC	2,864	3,859			3,115

Carrying amount by category	Category	Dec. 31, 2024 EUR (in thsds.)
Financial assets at amortized cost	AC	22,764
Financial assets at fair value through profit or loss	FVTPL	0
Financial liabilities at amortized cost	FLAC	37,526

No further disclosures on the fair value have to be made pursuant to IFRS 7.29a if the carrying amount is a reasonable approximation of fair value.

Financial assets and financial liabilities measured at fair value are allocated to the following levels of the fair value hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs).
- Observable inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2 inputs).
- Unobservable inputs for the asset or liability (Level 3 inputs).

The fair value of the unquoted equity instruments was EUR 0 thousand in 2025.

The fair value of the fixed-interest loans has been determined on the basis of currently available euro swap rates with equivalent maturities.

The Group can only enter into foreign currency forwards with investment-grade financial institutions. Present value computation-based forward price models are among the most frequently used valuation methods. These models include various factors, e.g. the credit ratings of business partners, spot and forward exchange rates, yield

curves for selected foreign currencies, currency spreads between selected foreign currencies, yield curves and forward curves for the underlying commodities.

Any payment obligations arising from the payment based on the enterprise value are calculated using a formula on the basis of a comparison of Softing's market capitalization at the beginning and end of the financial year and are allocated to Level 2.

The net gains/losses of the respective categories of financial instruments in accordance with IFRS 9 for 2025 and 2024 are shown in the following overview:

Net gains and losses, 2025 (EUR thsds.)		Interest	Impairment	Currency translation gains/losses	Net gain/loss
from financial assets at amortized cost	AC	7	-1	-382	-376
from financial liabilities at amortized cost	FLAC	-530			-530

Net gains and losses, 2024 (EUR thsds.)		Interest	Impairment	Currency translation gains/losses	Net gain/loss
from financial assets at amortized cost	AC	29	1	-426	-395
from financial liabilities at amortized cost	FLAC	-690			-690

There were no net gains/losses from the equity investment, which is measured at fair value, with changes in fair value recognized in profit or loss.

Interest income from financial assets at amortized cost totaled EUR 7 thousand in the current period (previous year: EUR 29 thousand), while interest expense on financial liabilities at amortized cost came to EUR -530 thousand (previous year: EUR -690 thousand).

10. OBJECTIVES AND METHODS OF FINANCIAL RISK MANAGEMENT

Softing AG's capital management aims first and foremost at ensuring that the Company maintains a solid equity ratio to support its business activities. The Group manages its capital structure and makes adjustments, allowing for changes in economic conditions. To maintain or adjust its capital structure, the Group may make repayments of capital to its shareholders or issue new shares. There were no changes in the objectives, guidelines and procedures as of December 31, 2025, and December 31, 2024.

The Group monitors its capital using the equity ratio. But the Executive Board does not define a specific target to that end. The equity ratio in the financial year was 49.8% (previous year: 49.5%).

The capital of the Softing Group relevant for controlling purposes encompasses subscribed capital, capital reserves, retained earnings and non-controlling interests; it therefore corresponds to the equity of EUR 48,667 thousand (previous year: EUR 56,856 thousand) reported at the balance sheet date. Softing AG funds the development of its business to the greatest extent possible from its own cash flow.

As an internationally operating company, Softing is exposed to a variety of risks in the course of its operations. Therefore, the objective of its financial risk management is to detect all material financial risks early on and to take appropriate measures to protect existing and future success potential.

These risks include currency risks resulting from activities in different currency regions; counterparty credit risks involving non-fulfillment of contractual obligations by contracting parties; interest rate risks, where fluctuations in the market interest rate trigger changes in the fair value of a financial instrument; and interest-related cash flow risks that trigger changes in the future cash flow of a financial instrument because of changes in market interest rates.

To evaluate and take into account such risks, Softing has defined principles through a centralized risk management system that serve to identify and evaluate such risks consistently and systematically. Continual reporting is used by Softing to check compliance with all principles. This enables the Company to identify and analyze risks early on.

With the exception of the major customers mentioned under D1., there are no material concentrations of risk in the Group.

Please also see the disclosures on risks and opportunities in the combined management report.

Default Risks

Softing is exposed to default risks if contractual partners fail to meet their obligations. To avoid of risks of this nature, Softing enters into contracts only with contractual partners that have an excellent credit rating. As of the closing dates of December 31, 2025, and December 31, 2024, there was no material counterparty credit risk. While the Executive Board therefore believes the risk of non-fulfillment on the part of its contractual partners to be very low, it cannot completely exclude the risk in the final analysis.

Counterparty credit risks primarily concern trade receivables. Loss allowances are recognized to allow for any discernable counterparty credit risks in connection with individual financial assets. Loss allowances as of December 31, 2025, totaled EUR 24 thousand (previous year: EUR 433 thousand).

Regardless of any existing collateral, the carrying amount of financial assets equals the maximum counterparty credit risk if the contractual partners fail to meet their payment obligations.

Interest Rate Risks

Softing is also exposed to interest rate risks. The assets subject to interest rate fluctuations

essentially concern cash and cash equivalents and securities classified as current assets. Bank balances totaling EUR 6,205 thousand (previous year: EUR 9,271 thousand) bear interest of 0.00% (previous year: 0.00%). No material interest rate risks result from subsidiaries' liabilities to banks in the amount of EUR 12,074 thousand (previous year: EUR 16,407 thousand) because these loans in the amount of EUR 7,050 thousand are fixed-interest loans.

An increase of the market interest rate by 50 basis points would have an impact of EUR 25 thousand (previous year: EUR 20 thousand) on interest expense relating to the short-term loans.

Foreign Currency Risk

The Softing Group's foreign currency risk is limited to three currencies: USD, CHF and RON. The foreign currency risk relating to US dollars is hedged naturally, because in the United States and in Singapore (where US dollars are the functional currency), income and expenses are generated/incurred for products. The foreign currency risk associated with the Romanian RON and CHF is minimal because these currencies are linked to the euro, and the agreements with the Romanian subsidiary stipulate euros.

The following sensitivities apply with regard to USD:

In EUR (in thsds.)/USD		USD				
Closing rate: USD 1.1750		1.29 +10%	1.06 -10%	Difference	Difference	
Financial assets/liabilities	USD	USD in EUR		+10%	-10%	
Trade receivables	4,266	3,630	3,300	4,034	-330	403
Receivables from affiliated companies	24,493	20,845	18,950	23,161	-1,895	2,316
Other current assets	18,741	15,950	14,500	17,722	-1,450	1,772
Cash and cash equivalents	2,142	1,823	1,657	2,026	-166	203
Current liabilities	-8,525	-7,255	-6,596	-8,061	660	-806
	41,117	34,993			-3,181	3,888

Movements in the USD:EUR exchange rate would in part be reflected in the equity of the Softing Group and in part in the consolidated income statement.

Liquidity Risk

Liquidity risk is the risk that the Group might not have adequate funds to fulfill its payment obligations. The Group's liquidity requirements are met primarily through its operating business. Softing AG continuously monitors the risk of a potential liquidity bottleneck using its liquidity planning.

The Group's goal is to continue meeting its liquidity requirements through its own cash flow.

The Group possesses sufficient liquidity and unused credit lines in the amount of EUR 7.2 million to meet its obligations over the next four years in line with its strategic plans. For disclosures on maturities, please see section C.

Cash and cash equivalents at year's end were EUR 6,205 thousand (previous year: EUR 9,271 thousand), accounting for 6% (previous year: 8%) of the Group's total assets.

The following table shows the financial liabilities of the Group by maturity classes based on the remaining life as of the reporting date and based on the contractually agreed maturity. With the exception of the fixed-interest loans, the amounts shown in the table are not discounted cash flows.

Dec. 31, 2025 (EUR thsds.)	Up to 1 year	2–5 years	More than 5 years	Total contractual CF	Total carrying amounts
Financial liabilities					
Loan	7,537	4,327		11,864	12,073
Lease liabilities	1,348	3,391	1,168	5,907	5,907
Trade payables	10,551			10,551	10,551
Other financial liabilities	4,589	4,616		9,205	9,205

Dec. 31, 2024 (EUR thsds.)	Up to 1 year	2–5 years	More than 5 years	Total contractual CF	Total carrying amounts
Financial liabilities					
Loan	9,306	7,101		16,407	14,832
Lease liabilities	1,760	5,207	1,866	8,833	7,663
Trade payables	13,468			13,468	13,468
Other financial liabilities	4,589	4,616		9,205	9,205

11. HEDGING RELATIONSHIPS AND DERIVATIVES

The Softing Group is exposed to certain risks in its business operations due to its international activities. The Softing Group manages the related currency risk partly by means of the sporadic use of derivative financial instruments.

The Softing Group's risk management strategy and its implementation are explained in Note E10.

Derivatives Not Designated as Hedging Instruments

The Softing Group uses forward exchange contracts to hedge a portion of the transaction risks. These forward exchange contracts are not designated as cash flow hedges. The period for which these forward exchange contracts are entered into corresponds to the period for which a foreign currency risk applies in relation to the hedge, generally up to 3 months. Forward exchange contract are also entered into on a revolving basis.

12. PERSONNEL

The number of employees (exclusively salaried employees) excluding the Executive Board was as follows:

	2025	2024
As of the balance sheet date	390	429
Annual average	417	442
Marketing & Sales	110	127
Research & Development	225	252
Administration & General	44	51
Management	11	12

13. TOTAL REMUNERATION OF THE EXECUTIVE BOARD

The following persons were members of the Executive Board of Softing AG in the reporting period:

Mr. Ernst Homolka, Munich, Germany, Executive Board member for Finance and Human Resources

Dr.-Ing. Dr. rer. oec. Wolfgang Trier, Munich, Germany, Chairman of the Executive Board

Benefits granted EUR (in thsds.)	Total	
	2025	2024
Fixed remuneration	828	921
Fringe benefits	38	52
Total	866	973
Discretionary bonus	0	0
One-year variable remuneration	436	681
Multi-year variable remuneration	0	0
Multi-year variable remuneration based on enterprise value	0	0
Total	436	681
Pension expense	129	176
Total remuneration	1,429	1,830

All remuneration components are deemed to have been earned in the financial year. A portion of the total remuneration, including that of previous years, is presented under other non-current and current financial liabilities at the balance sheet date in the amount of EUR 4,828 thousand (previous year: EUR 4,493 thousand).

In addition, unused vacation days in the amount of EUR 10 thousand from the previous year were settled in the financial year (previous year: EUR 17 thousand). The obligations from non-reinsured pension expenses for the Executive Board amount to EUR –171 thousand (previous year: EUR 35 thousand).

The fringe benefits and the pension expense include flat-rate vehicle allowances and the employer contributions to social security, and contributions to pensions and pension expenses.

Remuneration based on the enterprise value consists of a current variable remuneration component paid in cash. Here, the Executive Board receives a pro-rata share of any increase in market capitalization during Softing AG's financial year. The remuneration component is redefined each year. A payment obligation only arises if the increase in the enterprise value exceeds a predefined rate of increase. If the market capitalization decreases or falls below the rate of increase, the entitlement will expire without compensation. The payment obligation is calculated using a formula on the basis of a comparison of Softing's market capitalization at the beginning and end of the financial year. Staff costs were recognized in the amount of the fixed payment obligation as of the balance sheet date. The obligation had not yet been paid out by the balance sheet date and is reported under financial liabilities.

The total remuneration must be classified as short-term in accordance with IAS 24.17. Furthermore, service cost of EUR 0 thousand (previous year: EUR 115 thousand) was recognized. A D&O insurance with a deductible of 10% has been taken out for the members of the Executive Board. The Executive Board member also holds the Company's key central positions. Pension obligations for former members of the Executive Board as of

December 31, 2025 totaled EUR 2,218 thousand (previous year: EUR 2,436 thousand). The total remuneration of former members of the Executive Board amounted to EUR 202 thousand (previous year: EUR 202 thousand).

All other details are presented in the remuneration report pursuant to Section 162 AktG.

14. TOTAL REMUNERATION OF THE SUPERVISORY BOARD

The following persons were members of the Supervisory Board of Softing AG in the 2025 financial year:

Matthias Weber, business graduate, Baierbrunn, Germany (Chairman)

Andreas Kratzer, certified public accountant, Neuheim, Switzerland (Deputy Chairman)

Dr. Klaus Fuchs, graduate computer scientist und graduate engineer, Helfant, Germany

Mr. Matthias Weber was also a member of the supervisory board of the following companies:

Salutas Pharma GmbH, Barleben, Germany, chairman of the supervisory board

Sandoz GmbH, Kundl, Austria, chairman of the supervisory board

Sandoz Austria GmbH, Austria, member of the supervisory board

Mr. Andreas Kratzer is also a member of one other supervisory board:

Rinaldo Treuhand AG, Oberrieden, Switzerland, chairman of the board of directors

Across Advisory AG, Baar, Switzerland, chairman of the board of directors

Dr. Klaus Fuchs does not hold any offices on other supervisory boards.

In addition to being reimbursed for their expenses and any VAT applicable on their remuneration and expenses, each member of the Supervisory Board receives a fixed remuneration of EUR 15,000.00 for each full financial year of service on the Supervisory Board, payable after the end of the financial year. The Chairman receives EUR 25,000.00 and the Deputy Chairman receives EUR 20,000.00.

The members of the Supervisory Board did not receive variable remuneration in financial year 2025.

The total remuneration is presented under other current financial assets at the balance sheet date in the amount of EUR 60 thousand (previous year: EUR 68 thousand). The total remuneration for the Executive Board and the Supervisory Board amounts to EUR 1,474 thousand (previous year: EUR 1,898 thousand).

15. AUDITOR'S FEES

The following expenditure (including expenses) was incurred in the financial year just ended for services provided by the auditor, Rödl Audit GmbH:

	2025 EUR (in thsds.)	2024 EUR (in thsds.)
Audit of annual financial statements	234	200
Other services	35	0
	269	200

Audit of Annual Financial Statements:

The expenses include:

- Audit of the statutory annual and consolidated financial statements of Softing AG as of December 31, 2025
- Formal review of the remuneration report
- Audit of the statutory annual financial statements of a domestic subsidiary as of December 31, 2024 and December 31, 2025

Other Services:

Rödl Audit GmbH were commissioned to provide one other service. The expenses comprise the start-up costs of the project. Since the underlying matter did not materialize, the project was not completed.

16. EVENTS AFTER THE REPORTING PERIOD

On March 16, 2026, the Executive Board of Softing AG decided to increase the Company's share capital with the approval of the Company's Supervisory Board by around 10% in return for cash contributions by issuing 992,588 new no-par bearer shares using a portion of Authorized Capital 2025/I and disapplying shareholders' pre-emptive rights. Upon entry of the capital increase in the commercial register, the Company's share capital will increase by EUR 992,588.00 from the current EUR 9,925,881.00 to EUR 10,918,469.00.

17. STATEMENT PURSUANT TO SECTIONS 289F AND 315D GERMAN COMMERCIAL CODE (HGB)

The declaration pursuant to Section 289f and 315d of the German Commercial Code was issued by the Executive Board and the Supervisory Board of Softing AG and has been made permanently available to shareholders on the Internet at www.softing.com.

Haar, Germany, March 18, 2026

Softing AG

The Executive Board



Dr. Wolfgang Trier



Ernst Homolka

Independent auditor's report

TO SOFTING AG, HAAR

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Audit Opinions

We have audited the consolidated financial statements of Softing AG, Haar, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2025, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1, 2025 to December 31, 2025, and notes to the consolidated financial statements, including information on accounting policies. In addition, we have audited the combined management report of Softing AG, Haar, for the financial year from January 1, 2025 to December 31, 2025. In accordance with German law, we have not audited the contents of the Group Statement on Corporate Governance included in the combined management report and the reference made to the website of Softing AG included therein.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (hereinafter "IFRS Accounting Standards" as adopted by the

EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB \[Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at December 31, 2025, and of its financial performance for the financial year from January 1, 2025 to December 31, 2025,

- and the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not extend to the contents of the aforementioned components of the combined management reports, whose contents we have not audited.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 German Commercial Code (HGB) and the EU Audit Regulation (No. 537/2014; referred to subsequently as "EU Audit Regulation") and in compliance with

German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report” section of our auditor’s report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1, 2025 to December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

RECOVERABILITY OF GOODWILL

- Reasons why the matter was determined to be a key audit matter

In the consolidated financial statements of the Company, goodwill amounting to a total of EUR 10,511 thousand is reported. Goodwill is tested for impairment by the Company once a year or when there are indications of impairment to determine any possible need for write-downs. The impairment test is carried out at the level of the groups of cash-generating units to which the relevant goodwill has been allocated. The carrying amount of the relevant goodwill is compared with the corresponding recoverable amount in the context of the impairment test. The calculation of the recoverable amount generally employs the value in use. The present value of the future cash flows from the respective group of cash-generating units normally serves as the basis of valuation. Present values are calculated using discounted cash flow models. For this purpose, the medium-term business plan adopted by the Group forms the starting point which is extrapolated based on assumptions about long-term rates of growth. Expectations relating to future market developments and assumptions about the development of macroeconomic factors are also taken into account. The discount rate used is the weighted average cost of capital.

The outcome of this valuation is dependent to a large extent on the estimates made by management with respect to the future cash inflows for the respective group of cash-generating units, the

discount rate used, the rate of growth and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

- Our audit approach

As part of our audit, we assessed the methodology employed for the purposes of performing the impairment test, among other things. After matching the future cash inflows used for the calculation against the medium-term business plan adopted by the Group, we evaluated the appropriateness of the calculation especially through reconciliation with general and sector-specific market expectations. Furthermore, we also evaluated the proper consideration of the costs for Group functions. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value of the entity calculated in this way, we also focused our testing in particular on the parameters used to determine the discount rate applied, and evaluated the valuation model. We assessed the sensitivity analyses performed by the Company, in order to reflect the uncertainty inherent in the projections.

- Reference to related disclosures

The Company's disclosures on impairment testing and goodwill are contained in sections B.6 and C.2 of the notes to the consolidated financial statements.

DEVELOPMENT COSTS FOR INTERNALLY GENERATED PRODUCT DEVELOPMENTS

- Reasons why the matter was determined to be a key audit matter

In the consolidated financial statements of the Company, an amount of EUR 14,859 thousand for internally generated product developments is reported under the "Other intangible assets" item in the statement of financial position. This amount relates to development costs for new products and significant further developments (hereinafter "product developments"), which were capitalized in accordance with IAS 38. The development costs include directly allocable costs. The criteria of IAS 38.57 determine whether internally generated product developments are eligible for capitalization – specifically the technical feasibility of completing the intangible asset, how the intangible asset will generate probable future economic benefits and the ability to measure reliably the expenditure attributable to the intangible asset during its development – and provide considerable scope for judgment. The asset is generally amortized over 5 years once the Company begins consuming the economic benefits from that asset.

Since the capitalization, recoverability and amortization of development costs is based to a large extent on management estimates and assumptions and is therefore subject to corresponding uncertainties, this matter was of particular significance in the context of our audit.

- Our audit approach

As part of our audit, we evaluated, among other things, the capitalization requirements for individual projects, using the criteria set out in IAS 38.57.

We also assessed the methodology used to calculate the costs eligible for capitalization. We determined that the process for capitalizing development costs is appropriately designed and evaluated whether the established controls have been properly implemented. We assessed the amount of the capitalized development costs and the recoverability of the product developments on the basis of appropriate evidence (sales forecasts, impairment tests). In so doing, we also inspected project records and talked to technical project managers in order to satisfy ourselves of the respective percentage of completion.

- Reference to related disclosures

The Company's disclosures on capitalized development costs are contained in sections B.5 and C.3 of the notes to the consolidated financial statements.

Other Information

The Supervisory Board is responsible for the report of the Supervisory Board. The executive directors and the Supervisory Board are responsible for the declaration pursuant to Sec. 161 AktG \["Aktiengesetz": German Stock Corporation Act] on the German Corporate Governance Code, which is part of the Group Statement on Corporate Governance included in the combined management report. In all other respects, the executive directors are responsible for the other information. The other information comprises:

- the components of the combined management report mentioned in the "Audit Opinions" section whose contents we have not audited,
- the statements in accordance with Section 297 (2) sentence 4 HGB and Section 315 (1) sentence 3 HGB on the consolidated financial statements and the combined management report,
- Information in the following sections of the annual report:
 - Consolidated Key Figures
 - Letter from the CEO
 - Softing Shares
 - Responsibility Statement
 - Report of the Supervisory Board
 - Directors' Holdings – Financial Calendar
- Remuneration Report Pursuant to Section 162 AktG

Our audit opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the aforementioned other information and, in so doing, to consider whether the other information is materially inconsistent with the consolidated financial statements, the combined management report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of such other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) German Commercial Code (HGB) and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all

material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal controls relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the Group's internal controls and these arrangements and measures.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and with the additional requirements of German commercial law pursuant to Section 315e (1) German Commercial Code (HGB).

- plan and perform the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence regarding the financial information of the entities or of the business activities within the Group, which serves as a basis for forming audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and review of the audit procedures performed for the purposes of the group audit. We remain solely responsible for our audit opinions.
- evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on Assurance in accordance with Section 317 (3a) HGB on the Electronic Reproduction of the Consolidated Financial Statements and the Combined Management Report Prepared for Publication Purposes

Opinion

We have performed an assurance engagement in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the reproduction of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the provided electronic file

„529900S2ZKWINY4ZNU39-2025-12-31-1-de.xbri“ (SHA-256-Hash:b05aaf3d8812d5265b42d8410527d35098075fdd1374a5055879fea62a8665c1) and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance only extends to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in this reproduction nor any other information contained in the above-mentioned electronic file.

In our opinion, the reproduction of the consolidated financial statements and the combined management report contained in the above-mentioned

electronic file provided and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. We do not express any opinion on the information contained in this reproduction nor on any other information contained in the above-mentioned file beyond this reasonable assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from January 1 2025 to December 31, 2025 contained in the »Report on the Audit of the Consolidated Financial Statements and the Combined Management Report« above.

Basis for the Reasonable Assurance Conclusion

We conducted our assurance work on the reproduction of the consolidated financial statements and the combined management report contained in the above-mentioned electronic file provided in accordance with Section 317 (3a) HGB, and the IDW Assurance Standard: Assurance Work on the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AsS 410 (6.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Accordingly, our responsibilities are further described below in the "Auditor's Responsibilities for the Assurance Engagement on the ESEF Documents" section. Our audit firm has applied the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic reproduction of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB. In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format, whether due to fraud or error. The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Auditor's Responsibilities for the Assurance Engagement on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- obtain an understanding of internal control relevant to the assurance engagement on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance conclusion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815 as applicable on the reporting date on the technical specification for this electronic file.
- evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited consolidated financial statements and the audited combined management report.

- evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited consolidated financial statements and the audited combined management report.
- evaluate whether tagging the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version applicable at the date of the consolidated financial statements provides an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

Further Information Pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the General Shareholders' Meeting on June 18, 2025. We were engaged by the Supervisory Board on July 29, 2025. We have been the group auditor of the Softing AG, Haar, without interruption since the financial year 2019.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the assured ESEF documents. The consolidated financial statements and the combined management report converted to the ESEF format – including the versions to be published in the Company Register – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Thomas Gössl.

Munich, Germany, March 23, 2026

Rödl Audit GmbH
Wirtschaftsprüfungsgesellschaft

Mainka-Klein	Gössl
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Report of the Supervisory Board

for Financial Year 2025

The Supervisory Board of Softing AG carried out its duties as provided by law and the Company's Articles of Incorporation in financial year 2025. The Supervisory Board continuously advised the Executive Board in matters of management and diligently monitored its actions. The Supervisory Board was informed regularly about the situation of Softing AG and the Softing Group and monitored and accompanied the work of the Executive Board as well as compliance with applicable legal provisions and the Company's internal guidelines. The Executive Board informed the Supervisory Board in writing and orally about the business policies, fundamental questions of future business activities, the economic situation and future strategic development, the risk situation and risk management as well as significant business transactions, and discussed these matters with the Supervisory Board. The Supervisory Board was involved in decisions of material significance at all times.

A total of six in-person and four virtual Supervisory Board meetings were held in the 2025 financial year: on February 12, March 18, March 24, April 9, May 22, June 18, July 29, October 22, November 5 and December 17.

Given that the Supervisory Board has three members, the Audit Committee comprises the entire Supervisory Board. The Audit Committee is chaired by Mr. Andreas Kratzer. Several Audit Committee meetings were held in the 2025 financial year:

From the beginning of February, weekly coordination meetings were held with the Executive Board and auditors during the audit procedures. The meeting on October 2, 2025 was held at the premises of Rödl & Partner in preparation for the 2025 audit. A meeting was held on December 17 to discuss the results of the preliminary audit.

The regular deliberations during Supervisory Board meetings and between the Executive Board and the Supervisory Board focused on the organizational and strategic development and orientation of the Softing Group, the positioning and financial development of Softing AG, and significant business events for the Company. Between meetings, the Supervisory Board was also informed of plans and developments that were of particular importance. The Supervisory Board thoroughly reviewed, discussed and approved all matters which require approval under legal provisions and the Articles of Incorporation or the Rules of Procedure.

Furthermore, in regular discussions with the Executive Board, the chairman of the Supervisory Board obtained information about important decisions and business transactions of special significance. He also held separate discussions with the Executive Board on strategy to explore the perspectives for and future alignment of each individual business.

Our deliberations and reviews focused on the entire accounting system of Softing AG and the Group, the monitoring of the internal control system as well as the refinement of the internal auditing and risk management system.

COMPOSITION OF THE SUPERVISORY BOARD AND THE EXECUTIVE BOARD

In the reporting year, the Supervisory Board was comprised of Mr. Matthias Weber (Chairman), Mr. Andreas Kratzer (Deputy Chairman) and Dr. Klaus Fuchs.

The duties of the Audit Committee were performed by the entire Supervisory Board, chaired by Mr. Andreas Kratzer. The full Supervisory Board was responsible for all other tasks and decisions. In the year under review, the Executive Board consisted of Dr. Dr. Wolfgang Trier and Ernst Homolka.

KEY POINTS OF DELIBERATION AT THE MEETINGS IN FINANCIAL YEAR 2025

Some parts of the meetings took place without the Executive Board and were used for internal coordination within the Supervisory Board.

During the preparation phase, the Audit Committee provided regular information on the progress of the work and the results, both within the organization and in direct talks with the auditors.

At the Supervisory Board meeting on March 18, 2025, the Supervisory Board dealt with the Company's performance in the 2024 financial year and the first results for 2025, as well as the audit report on the financial year then ended. Further topics included setting individual targets for the Executive Board, the decision to extend the remuneration system for the members of the Executive Board, and the presentation of the evaluation for selecting a new ERP system.

At the virtual meeting on March 24, 2025, the Supervisory Board dealt with the adoption of the annual financial statements for 2024 and the approval of the consolidated financial statements for 2024.

The Supervisory Board had already received advance drafts of the audit reports via e-mail from Mr. Gössl (auditor at Rödl & Partner) on March 13, 2025. Mr. Kratzer subsequently asked the Supervisory Board's combined questions in a consultation with Mr. Haendel and Mr. Homolka. At this meeting, the Supervisory Board asked the auditors, who were present, for further explanations about the audit reports for the Softing Group and Softing AG, and the remuneration report.

The Supervisory Board then adopted the 2024 annual financial statements of Softing AG and approved the 2024 consolidated financial statements. At the virtual Supervisory Board meeting on April 9, 2025, the Supervisory Board approved the Executive Board's decision to acquire Delta Logic GmbH after thorough discussion.

At the virtual meeting on May 22, 2025, the director's contract of Dr. Trier was extended for another five years until March 31, 2031. The director's contract of Mr. Ernst Homolka was renewed for another three years until April 30, 2029.

At the Supervisory Board meeting held after the General Shareholders' Meeting on June 18, 2025 there was a debriefing of the General Shareholders' Meeting. This meeting was concluded with a report of the Executive Board on the status and outlook of the Company's strategy, operations and financial position.

At the meeting on July 29, 2025, the Executive Board provided detailed commentary on data and background information on the financial figures for the first six months of 2025, the financial planning for the rest of the year, and the sale of Softing Italia srl. Further topics included the status of GlobalmatIX AG and information on the planned simplification of the Group structure.

At the virtual meeting on October 22, 2025, the Executive Board informed the Supervisory Board of a potential investment agreement.

At the Supervisory Board meeting on November 5, 2025, the Executive Board provided detailed commentary on data and background information on the financial figures for the first nine months of 2025 and the financial planning for the rest of the year. Another topic was changes in the executive management of a subsidiary.

At the Supervisory Board meeting held on December 17, 2025, the Executive Board presented to the Supervisory Board a first estimate of the 2025 annual results, its business plan for 2026 and its multi-year planning. After careful review, the Supervisory Board approved the two plans. Furthermore, the Declaration of Compliance with the German Corporate Governance Code (GCGC) and the Statement on Corporate Governance pursuant to Sections 289f and 315d of the German Commercial Code (HGB) for 2026 were issued. The Supervisory Board conducted a self-assessment prior to this meeting and the results were discussed. Mr. Homolka presented the risk report for the second half of 2025 and answered the Supervisory Board's follow-up questions. At the weekly Audit Committee's meetings held during the financial statements audit, the Supervisory Board received a summary of the audit work carried out by audit firm Rödl & Partner for the 2024 annual financial statements.

At the meeting held on October 22, 2024, Rödl & Partner, the audit firm elected at the General Shareholders' Meeting, was engaged as statutory auditor. The focal points of the 2025 preliminary and main audit were also determined, as was the Supervisory Board's approach to assessing the quality of the auditors.

At its meeting on December 17, 2025 the Supervisory Board received a summary of the results of this preliminary audit and agreed a course of action for the main audit with Rödl & Partner.

All members of the Supervisory Board attended all Supervisory Board meetings in 2025. There was no conflict of interest of members of the Supervisory Board in the financial year just ended. The independence of the financial experts on the Supervisory Board was monitored on an ongoing basis and is assured.

ANNUAL FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS FOR 2025

The annual financial statements and the combined management report of Softing AG were prepared in accordance with the German Commercial Code (HGB) and the consolidated financial statements and the Group management report were prepared in accordance with International Financial Reporting Standards (IFRSs). The annual financial statements and the combined management report of Softing AG, and the consolidated financial statements and the combined management report as of December 31, 2025, were audited as required by law by Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft, Munich, Germany, the auditors appointed by the General Shareholders' Meeting.

The Supervisory Board had already received advance drafts of the audit reports via e-mail from Mr. Gössl (auditor at Rödl & Partner) on March 18, 2026.

The auditors issued an unqualified auditor's opinion each for the annual financial statements and the consolidated financial statements. The auditors performed an audit in accordance with Section 317 (4) German Commercial Code and came to the conclusion that the Executive Board established a monitoring system which fulfills the legal requirements for the early detection of risks jeopardizing the Company's existence as a going concern and that the Executive Board took appropriate measures to detect developments at an early stage and avert risks.

The auditors stated their independence vis-à-vis the Supervisory Board as required by the German Corporate Governance Code and disclosed the audit and consulting fees received in the financial year.

The annual financial statements and the audit reports of the auditors were made available in time to all members of the Supervisory Board. At its financials meeting on March 23, 2026, the Supervisory Board examined the annual financial statements and the combined management report of Softing AG as well as the consolidated financial statements and the combined management

report presented by the Executive Board including the audit report prepared by the auditors of the financial statements. The auditors and the Executive Board participated in the meeting.

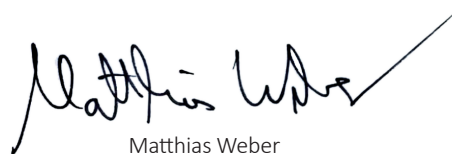
The auditors reported on their audit in general as well as on individual focal points and the significant results of their audit. They answered the questions raised by the members of the Supervisory Board in detail. The Supervisory Board approved the result of the audit. There was no reason to raise any objections based on the final result of this examination.

The Supervisory Board approved the annual financial statements and the consolidated financial statements for 2025 as well as the combined management report at its meeting on March 23, 2026. The annual financial statements are therefore formally adopted. The Supervisory Board agreed with the appropriation of the net retained profits proposed by the Executive Board.

THANK YOU

The Supervisory Board would like to thank the Executive Board and all employees for their extraordinary efforts for Softing during a difficult 2025 that was again dominated by global events, and for their achievements in the financial year now ended.

Haar, Germany, March 23, 2026



Matthias Weber
Chairman

Directors' Holdings – Financial Calendar

CORPORATE BOARDS AND DIRECTORS' HOLDINGS

Boards	Shares	
	June 30, 2025 Number	Dec. 31, 2025 Number
Supervisory Board		
Matthias Weber (chairman from May 6, 2022), business graduate, Baierbrunn, Germany	–	–
Andreas Kratzer (member), certified public accountant, Neuheim, Switzerland	10,158	10,158
Dr. Klaus Fuchs (member), graduate computer scientist and graduate engineer, Helfant, Germany	278,820	278,820
Executive Board		
Dr.-Ing. Dr. rer. oec. Wolfgang Trier, Munich, Germany	166,234	166,234
Ernst Homolka, Munich, Germany	10,900	10,900

There are no stock options.

FINANCIAL CALENDAR

March 27, 2026	Consolidated Financial Statements/Annual Report 2025
May 6, 2026	Interim Management Statement Q1/3M 2026
May 7, 2026	General Shareholders' Meeting 2026
August 14, 2026	Half-yearly Financial Report 2026
November 13, 2026	Interim Management Statement Q3/9M 2026
November 23–25, 2026	German Equity Forum, Frankfurt/Main



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