

Interim Statement on the 1st Quarter of 2026



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

The first quarter painted a largely encouraging picture for the year ahead. The Automotive segment's performance far exceeded our expectations as we continued to record strong business from regular customers while simultaneously expanding our customer base. In the Industrial segment, revenue from the high-margin software business rose steadily, while higher demand from customers in the process industry, particularly those in the oil and gas sector, was reflected in our incoming orders. The IT Networks segment continued to lag well behind planning and, like the sector as a whole, suffered from weather effects in the construction sector, especially in February. A sharp improvement in revenue in March and April suggests that the gap in IT Networks from February will at least be partially filled over the course of the year. We anticipate the usual seasonal uplift in annual revenues across all segments in the second half of the year.

Our consolidated revenue for the current year of around EUR 21.5 million (previous year: EUR 22.3 million) was only slightly below the figure for the prior-year quarter – which was impacted by significant extraordinary items in the Automotive segment – and was much higher than forecast. EBIT-DA rose to EUR 1.32 million, up from EUR 0.77 million in the previous year. Operating EBIT remained negative at EUR –237 thousand, but the fact that this is higher than the previous year's figure of EUR –371 thousand shows that the trend is heading in the right direction. Without the adverse impact of

the IT Networks segment, we would have recorded a positive operating EBIT in excess of EUR 0.5 million in the first quarter. Incoming orders remained stable at EUR 20.4 million in the first quarter compared to EUR 19.5 million in the previous year.

While first-quarter Automotive revenues of EUR 5-7 million were typical in the past, they reached a record high of EUR 9.5 million in the first quarter of 2025 thanks to a rapid succession of release orders from a major customer in this segment. We are particularly proud of the fact that Automotive would have recorded revenue of almost EUR 8.3 million in the first quarter of the current year even without this extraordinary item. All of this meant that earnings were only a little lower than the previous year's figure. Although full-year revenue will probably fall slightly year-on-year, we expect our high-margin business to deliver increased earnings as we continue to diversify our customer base – and ongoing discussions about new major projects mean there is scope for additional upside here.

The Industrial segment recorded quarterly revenue of EUR 11.7 million. While this was on a par with the previous year's figure, revenue rose by EUR 1.7 million year-on-year on a de facto basis due to the discontinuation of exactly the same amount of revenue from the non-strategic engine business in Italy that we sold last year. Revenue in the EMEA region is growing steadily following the launch of our SDEX and siAccess software products

at the start of this year. Our US subsidiary Softing Inc. is investing heavily in new products that will reach the market from 2027 onwards and are expected to drive a surge in revenue of more than 20% due to high margins. Softing Inc. has also expanded its workforce by more than 10%.

IT Networks lagged well behind our target figures in the first quarter, although the segment's performance was satisfactory again in March and April. We are working on sales and marketing campaigns in this segment, and our latest products have already reached a level of maturity that promises to reduce product management and development costs in the medium term. We will also be adding higher-margin product variants in the second half of the year. An increase in revenue from new business, improved service margins and cost controls are our main focus areas in this segment for the rest of the year.

We also seized an opportunity for strategically sound acquisitive growth in the market this year with the purchase of WEIDITEC GmbH's engineering and testing business in Ingolstadt for Softing

Automotive, effective May 2026. An Ingolstadt-based premium manufacturer and its subsidiaries encouraged us to complete this transaction, as it enables us to deliver the same regional project-related services we have been providing to manufacturers in the Stuttgart area for many years. We expect this acquisition to deliver additional revenue of EUR 1.5 to 2 million over a full calendar year, which means Softing Automotive's growth continues to buck the sector trend.

Despite some isolated successes, the overall economic situation remains fragile. We are reiterating our 2026 full-year guidance for the Group of total revenue between EUR 80 and EUR 85 million. We expect operating EBIT to be positive at somewhere between EUR 3 and EUR 4 million, with neutral to positive EBIT before any special items. At the same time, we want to continue reducing our long-term debt by around EUR 3 million this year. Our revenue and earnings could conceivably increase even more if the number of geopolitical trouble spots falls over the course of the year to trigger an upturn in industrial demand.

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)

Interim statement on the 1st quarter of 2026

REPORT ON NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

The economic environment in Softing's most important markets continued to show clearly recessionary tendencies in the first quarter of 2026 due to the global situation. The recovery effects triggered by our customers reducing their excessive inventories were overshadowed by political uncertainty, severely dampening industry investment and consumer spending. Softing was only partially able to avoid the impact of these developments in the first quarter of 2026.

The reluctance to invest given the current economic conditions persisted in the Industrial segment during the first three months of 2026. As a result, revenue generated by the Industrial segment in the first three months of the current year was flat year-on-year at EUR 11.7 million. We are optimistic about the long-term business performance of our US company and expect revenue to pick up slightly this year. The German entity should benefit from increased order intake this year, although the general economic weakness in Germany is weighing on its performance.

The Automotive segment continues to defy the precarious situation among leading automotive manufacturers. While we will be unable to replicate last year's revenue figure of EUR 9.5 million, which was boosted by a single major order, revenue at a solid EUR 8.3 million is driven by manufacturers' mission-critical projects and a strong product pipeline, bucking the sector trend.

Revenue in the IT Networks segment was down from EUR 1.9 million to EUR 1.4 million amid a persistently difficult economic environment.

Overall, consolidated revenue fell from EUR 22.3 million to EUR 21.5 million. While orders on hand decreased markedly from EUR 20.1 million to EUR 15.2 million, order intake picked up once again, rising by EUR 0.9 million year-on-year to EUR 20.4 million.

EBIT in the Industrial segment rose from EUR –0.5 million to EUR –0.1 million during the first quarter, while operating EBIT remained flat year-on-year at EUR –0.2 million. The Automotive segment saw EBIT drop slightly from EUR 0.7 million to EUR 0.6 million, while operating EBIT dipped from EUR 1.0 million to EUR 0.8 million. The IT Networks segment posted EBIT of EUR –1.0 million compared to the previous year's figure of EUR –0.6 million, with one-off costs from the market launch of a new device and discount campaigns weighing on earnings.

In total, the Softing Group generated EBIT of EUR –0.9 million in the first three months of 2026, compared to EUR –1.3 million in 2025. The Group's operating EBIT (EBIT adjusted for capitalized development services and amortization on these as well as effects from purchase price allocation) in the reporting period totaled EUR –0.2 million (previous year: EUR –0.4 million). The Group's EBITDA came to EUR 1.3 million in the first three months (previous year: EUR 0.8 million), resulting in an EBITDA margin of 6.1% (previous year: 3.5%).

Capital expenditure on property, plant, and equipment was insignificant and comprised replacements. As of March 31, 2026, this results in cash and cash equivalents of EUR 6.4 million after EUR 6.2 million as of December 31, 2025.

The equity ratio as of March 31, 2026 was 49.1% after 49.8% as of December 31, 2025.

KEY FIGURES FOR THE 1ST QUARTER OF 2026

All figures in EUR million	Quarterly management statement 1/2026	Quarterly management statement 1/2025
Incoming orders	20.4	19.5
Orders on hand	15.2	20.1
Revenue	21.5	22.3
EBITDA	1.3	0.8
EBIT	-0.9	-1.3
EBIT (operating)	-0.2	-0.4
Net profit for the period	-1.0	-1.5
Earnings per share in EUR (operating)	-0.11	-0.15

RESEARCH AND PRODUCT DEVELOPMENT

In the first three months of 2026, Softing capitalized a total of EUR 0.9 million (previous year: EUR 0.5 million) for the development of new products. Other significant amounts for the enhancement of existing products were expensed.

EMPLOYEES

As of March 31, 2026, the Softing Group had 407 employees (previous year: 413). No stock options were issued to employees in the reporting period.

RISKS AND OPPORTUNITIES FOR THE COMPANY'S FUTURE DEVELOPMENT

As of the reporting date of March 31, 2026, the Company's risk and opportunity structure had not deviated significantly from the description in the consolidated financial statements for the year ended December 31, 2025. Material changes are also not expected for the remaining nine months of 2026. For more detailed information, we refer to our Group Management Report in the 2025 Annual Report, page 8 et seq.

The economic outlook in Germany, Europe and the USA has not changed much compared to the description in the consolidated financial statements for the year ended December 31, 2025. Inflation is expected to rise due to high energy prices, wages and the threat of tariffs. There are no prospects for economic recovery in the first quarter, with many institutions (ECB, World Bank, ifo Institute, etc.) expecting growth in Germany to be around zero for the full year. In risk management terms, this means implementing measures aimed at reducing costs and improving profitability. In spite of the steps taken, the risks cannot be controlled completely.

Geopolitical uncertainty caused by Russia's continued war of aggression against Ukraine, the United States' erratic threats of tariffs aimed at friends and foes alike, and the war in the Middle East remains a concern. Softing AG's customer base is essentially limited to Western countries, and is severely affected in its respective business operations by the sluggish economy in Germany and the tariff threats from the USA.

Despite the current economic and political environment, we anticipate the procurement situation to remain stable. We have focused specifically on inventory movements to gain increased liquidity as a risk management measure.

The Group continues to take the issue of cyber security and the potential widening of hostilities in this area seriously. The current recommendations of the authorities are being reviewed and implemented taking into account the situation at Softing. Softing is in the process of liaising with other companies to determine its own position. Softing has invested substantial sums in cyber security and provides its staff with regular training on the subject. It is essential to ensure that resilience and recoverability are built into IT systems and that all employees remain vigilant.

OUTLOOK

We confirm the Group's guidance published in the management report of the 2025 Annual Report (p. 28f.). Overall, we continue to expect revenue to come in between EUR 80 million and EUR 85 million.

We anticipate EBIT of between EUR –0.5 million and EUR 0.5 million, with operating EBIT between EUR 3.0 million and EUR 4.0 million. In seasonal terms, we once again expect that the second half of the year will prove to be much stronger than the first half. This expectation is supported by the growing order intake, the change of government in Germany, and an anticipated easing of tariff threats. We will provide quarterly reports with more details on these figures.

EVENTS AFTER THE REPORTING PERIOD

On April 27, 2026, Softing Automotive Electronics GmbH acquired all shares in a shelf company. The company was subsequently renamed Softing Automotive GmbH. This makes Softing Automotive GmbH a wholly-owned subsidiary of Softing Automotive Electronics GmbH. Softing Automotive GmbH will be included in the consolidated financial statements for the first time from the date on which control was established, i.e. from April 27, 2026.

The company was acquired with the aim of purchasing business operations from an insolvency estate by way of an asset deal. At the time of this interim management statement, the acquisition of business operations is in the process of being implemented.

GENERAL ACCOUNTING POLICIES

The consolidated financial statements of Softing AG as of December 31, 2025 were prepared in accordance with the International Financial Reporting Standards (IFRSs) based on the guidance of the International Accounting Standards Board (IASB) applicable at the reporting date. The quarterly management statement as of March 31, 2026, which was prepared on the basis of International Accounting Standard (IAS) 34 „Interim Financial Reporting“, does not contain all of the required information in accordance with the requirements for the presentation of the annual report and should be read in conjunction with the consolidated financial statements of Softing AG as of December 31, 2025. In general, the same accounting policies were applied in the quarterly management

statement as of March 31, 2026 as in the consolidated financial statements for the 2025 financial year. This quarterly management statement was prepared without an auditor's review.

CHANGES IN THE BASIS OF CONSOLIDATION

On January 1, 2026, GlobalmatiX GmbH merged into Softing Services GmbH. Both companies were/are based in Haar, Germany.

Furthermore, on January 1, 2026, Softing Engineering & Solutions GmbH, Kirchentellinsfurt, Germany, merged into Softing Automotive Electronics GmbH, Haar, Germany.

Furthermore, all shares of Softing AG, Haar, Germany, in Buxbaum Automation GmbH, Eisenstadt, Austria, were sold, with commercial ownership transferred on March 31, 2026. All of the divested entity's assets and liabilities were derecognized from the consolidated financial statements upon the transfer of control, and Buxbaum Automation GmbH was deconsolidated.

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

- Property, plant and equipment: 103
- Inventories (carrying amount): 203
- Trade receivables: 80
- Balances with banks: 379
- Current financial receivables: 455

The total derecognition of liabilities amounted to EUR 1,220 thousand.

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

- Trade payables (external): 734
- Non-financial liabilities: 273
- Financial liabilities: 41

The total derecognition of liabilities amounted to EUR 1,048 thousand.

Deconsolidation had a EUR 172 thousand net effect on equity.

The selling price of the shares was EUR 110 thousand, triggering a corresponding loss on disposal.

At Group level, other operating expenses resulting from deconsolidation totaled EUR 66 thousand.

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

Non-controlling interests had to be taken into account as part of the deconsolidation process. These were derecognized from the consolidated statement of financial position at the time of loss of control. There were no exchange differences, as the companies concerned were located in the euro zone.

These mergers and the sale of shares are part of the plan to simplify the Group structure in 2026.

Consolidated Income Statement

from January 1 to March 31, 2026

EUR thousand	1.1.2026 - 31.3.2026	1.1.2025 - 31.3.2025
Revenue	21,517	22,321
Other own work capitalized	920	465
Other operating income	80	96
Operating income	22,517	22,882
Cost of materials / cost of purchased services	-8,007	-8,920
Staff costs	-10,270	-9,865
Depreciation and amortization of plant and equipment, right-of-use assets and intangible assets	-2,250	-2,121
thereof depreciation due to purchase price allocation	-483	-423
thereof depreciation due to lease accounting	-399	-415
Other operating expenses	-2,918	-3,324
Operating expenses	-23,445	-24,230
Profit / loss from operations (EBIT)	-928	-1,348
Interest income	0	1
Interest expense	-169	-194
Interest expense from lease accounting	-56	-69
Earnings before income taxes	-1,152	-1,610
Income taxes	105	160
Consolidated profit	-1,047	-1,450
Consolidated profit attributable to:		
Shareholders of Softing AG	-1,094	-1,065
Non-controlling interests	46	-385
Consolidated profit	-1,047	-1,450
Earnings per share (basic = diluted)	-0.11	-0.15
Average number of shares outstanding (basic)	9,925,881	9,925,881

Consolidated Statement of Comprehensive Income

from January 1 to March 31, 2026

EUR thousand	1.1.2026 - 31.3.2026	1.1.2025 - 31.3.2025
Consolidated profit	-1,047	-1,450
Items that will not be reclassified to consolidated profit or loss		
Currency translation differences		
Changes in unrealized gains / losses	778	-1,629
Tax effect	0	0
Remeasurement from currency translation, total	778	-1,629
Other comprehensive income	778	-1,629
Total consolidated comprehensive income for the period	-269	-3,079
Total consolidated comprehensive income for the period attributable to:		
Shareholders of Softing AG	-315	-2,694
Non-controlling interests	46	-385
Total comprehensive income for the period	-269	-3,079

Consolidated Statement of Financial Position

as of March 31, 2026 and December 31, 2025

Assets		
EUR thousand	31.3.2026	31.12.2025
Non-current assets		
Goodwill	10,666	10,511
Other intangible assets	29,261	29,743
Property, plant and equipment	0	8,386
Other financial assets	8,405	0
Deferred tax assets	1,131	688
Non-current assets, total	49,463	49,328
Current assets		
Inventories	21,122	23,667
Trade receivables	11,114	10,783
Current financial assets	1,139	739
Contract assets	2,543	1,098
Current income tax assets	131	149
Cash and cash equivalents	6,382	6,205
Current assets	6,452	5,740
Current assets, total	48,884	48,381
Total assets	98,347	97,709

Equity and liabilities

EUR thousand	31.3.2026	31.12.2025
Equity		
Subscribed capital	9,926	9,926
Capital reserves	34,065	34,065
Treasury shares	0	0
Retained earnings	3,900	4,039
Equity attributable to shareholders of Softing AG	47,891	48,030
Non-controlling interests	404	636
Equity, total	48,296	48,666
Non-current liabilities		
Pensions	947	947
Long-term borrowings	3,731	4,431
Other non-current financial liabilities	8,890	9,175
Deferred tax liabilities	4,015	3,709
Non-current liabilities, total	17,583	18,262
Current liabilities		
Trade payables	7,687	10,550
Contract liabilities	8,082	5,479
Provisions	181	181
Income tax liabilities	953	930
Short-term borrowings	9,625	7,642
Other current financial liabilities	4,817	5,250
Current non-financial liabilities	1,124	749
Current liabilities, total	32,468	30,781
Total equity and liabilities	98,347	97,709

Consolidated Statement of Cash Flows

from January 1 to March 31, 2026

EUR thousand	1.1.2026 - 31.3.2026	1.1.2025 - 31.3.2025
Cash flows from operating activities		
Profit (before tax)	-1,152	-1,610
Depreciation, amortization and impairment losses on fixed assets	2,250	2,121
Other non-cash transactions	1,063	-776
Cash flows for the period	2,160	-265
Financial income	0	-1
Interest expense / Finance costs	169	263
Change in other provisions and accrued liabilities	0	1
Change in inventories	2,545	305
Change in trade receivables	-331	-4,857
Change in financial receivables and other assets	-2,557	1,888
Change in trade payables	-2,864	-2,420
Change in financial and non-financial liabilities and other liabilities	1,896	3,946
Cash received from the sale of subsidiaries	-50	0
Interest received	0	1
Income taxes received	18	79
Income taxes paid	-42	-380
Cash flows from operating activities	944	-1,440
Cash paid for investments in new internal product developments	-920	-465
Cash paid for investments in other intangible assets	-37	-2
Cash received from the sale of subsidiaries	50	0
Cash paid for investments in non-current assets	-493	-389
Cash flows from investing activities	-1,400	-856
Repayment of lease liabilities	-405	-457
Cash received from short-term bank line	2,000	2,000
Cash repayment of bank loans	-717	-909
Cash repayment of bank loans	-56	-69
Other interest paid	-169	-263
Total interest paid	-225	-332
Cash flows from financing activities	653	302
Net change in funds	197	-1,994
Effects of exchange rate changes on cash and cash equivalents	-20	56
Cash and cash equivalents at the beginning of the period	6,205	9,270
Cash and cash equivalents at the end of the period	6,382	7,332



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