secunet

2024

Half-Year Financial Report

secunet – protecting digital infrastructures

secunet is Germany's leading cybersecurity company. In an increasingly connected world, the Company's combination of products and consulting assures resilient digital infrastructures and the utmost protection for data, applications and digital identities. secunet specialises in areas with particular security requirements – such as eGovernment, eHealth as well as IIoT and cloud computing. With security solutions from secunet, companies can maintain the highest security standards in digitalisation projects and thus expedite their digital transformation.

Public Sector

Digital sovereignty for state and society

A holistic IT security concept is essential for public authorities and armed forces. secunet's Public Sector supports the digital transformation of administrations, authorities and armed forces in Germany and abroad. Trustworthy security solutions assure resilient digital infrastructures and the utmost protection for data, applications and digital identities. Consulting, security analyses and training round out secunet's cybersecurity portfolio. This enables public organisations to leverage the latest technologies while retaining their digital sovereignty.

Business Sector

Secure digitalisation in industry and healthcare

The digital transformation is spawning new business models, accelerating communication and creating more efficient processes in existing value chains. However, increased networking and new technologies simultaneously amplify the risk of cyberattacks, malware, data misuse and espionage. secunet's Business Sector supports companies and the healthcare sector in safeguarding information and communication technologies. The core competence lies in consulting as well as in the development and production of trustworthy security solutions that integrate seamlessly into existing IT landscapes and protect them effectively.

Key Figures

secunet Group at a glance (according to IFRS)

Figures in million euros

Key operating figures	H1/2024	H1/2023	Change
Sales revenue	144.3	151.5	-5%
Earnings before interest and taxes (EBIT)	1.4	4.0	-64%
Earnings before taxes (EBT)	1.5	3.6	-59%
Group profit for the period	1.0	2.4	-59%
Earnings per share (in euros)	0.16	0.39	-59%

Key cash flow figures	H1/2024	H1/2023	Change
Cash flow from operating activities	3.7	-3.0	>100%
Cash flow from investing activities	-5.6	-3.4	+64%
Cash flow from financing activities	-18.3	-11.9	+54%

Key balance sheet figures	30 June 2024	31 Dec 2023	Change
Balance sheet total	294.1	328.6	-11%
Equity (including non-controlling interests)	123.9	137.8	-10%
Equity ratio	42.1 %	41.9 %	+0.2 Pp.
Cash and cash equivalents	21.1	41.3	-49%
Liabilities	170.2	190.8	-11%
Liabilities to banks	0.0	0.2	-100%
Order book	216.5	190.2	+14%
Permanent employees	1,043	1,043	–%

Key share figures	30 June 2024	31 Dec 2023	Change
Shares outstanding	6,469,502	6,469,502	–%
Closing price (Xetra, in euros)	125.4	146.8	-15%
Market capitalisation (in billion euros)	0.8	0.9	-15%

Quarterly overview

Figures in million euros

	Q1/2023	Q2/2023	Q3/2023	Q4/2023	Q1/2024	Q2/2024
Sales revenue	55.2	96.3	87.5	154.7	57.6	86.7
Earnings before interest and taxes (EBIT)	-6.2	10.2	5.7	33.3	-5.6	7.0

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Interim Group Management Report

for the First Half-Year 2024

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The interim Group management report for the period from 1 January 2024 to 30 June 2024 has been prepared in accordance with Section 115 (1) of the German Securities Trading Act (WpHG).

Results of operations

Sales revenue performance

In the first half of 2024, secunet Group achieved sales revenue of 144.3 million euros (H1/2023: 151.5 million euros). The decline in sales in the reporting period is due to lower sales in both segments – the Public Sector and the Business Sector.

The seasonal sales pattern of secunet Group usually shows a rising trend from the first to the last quarter. This is also apparent this year: after sales of 57.6 million euros in the first quarter (Q1/2023: 55.2 million euros), sales rose to 86.7 million euros in the second quarter (Q2/2023: 96.3 million euros).

Earnings performance

In the second quarter of 2024, secunet Group recorded a significant improvement in earnings. After a negative EBIT (earnings before interest and taxes) of -5.6 million euros in the first quarter (Q1/2023: -6.2 million euros), a positive EBIT of 7.0 million euros was achieved in the second quarter (Q1/2023: 10.2 million euros).

Overall, secunet Group's EBIT amounted to 1.4 million euros in the first half of 2024, after 4.0 million euros in the previous year. It should be taken into account that other income of 2.6 million euros was recognised in the previous year, attributable in particular to the revaluation in the previous year of the payout clause agreed as part of the acquisition of SysEleven GmbH.

The cost of sales fell by 9% to 115.6 million euros compared to the previous year (127.5 million euros). Gross profit on sales increased by 19% to 28.6 million euros compared to the previous year (24.0 million euros).

Selling expenses rose to 13.3 million euros in the reporting period due to increased marketing and sales activities, compared to 12.7 million euros in the previous year. General administrative expenses increased from 5.4 million euros to 6.4 million euros due to higher personnel and material costs for management and administrative offices. Research and development costs rose from 4.6 million euros to 7.5 million euros. This increase is attributable to the further development of existing products as well as the non-capitalisable portion of newly developed products.

Interest income of 0.5 million euros (H1/2023: 0.0 million euros) exceeded interest expenses of -0.4 million euros (H1/2023: -0.3 million euros). EBT (earnings before taxes) thus totalled 1.5 million euros (H1/2023: 3.6 million euros).

Tax expenses amounted to 0.5 million euros (H1/2023: 1.2 million euros). This corresponds to a tax ratio of 32% (H1/2023: 32%). Net income for the period thus amounted to 1.0 million euros (H1/2023: 2.4 million euros). Earnings per share are reported at 0.16 euros (H1/2023: 0.39 euros).

Segment reporting

secunet Group is segmented into two business units according to target groups:

Public Sector

The secunet Group's business activities continue to focus on the Public Sector, which includes national and international governments, ministries, public authorities and government-related institutions. This target group accounted for 88% of Group sales revenue in the first half of 2024 (H1/2023: 86%). The Public Sector segment, which comprises these activities, generated sales revenue of 127.5 million euros in the reporting period (H1/2023: 130.2 million euros). Overall, the Public Sector showed a solid performance – even against the backdrop of the ongoing debate about the government budget.

Cost of sales amounted to 103.9 million euros (H1/2023: 105.9 million euros). At 10.1 million euros, selling costs were at virtually the same level as in the previous year (10.0 million euros). General administrative expenses rose to 5.6 million euros (H1/2023: 4.6 million euros) due to higher personnel and material costs. Research and development costs amounted to 4.9 million euros (H1/2023: 4.1 million euros).

Due to this cost development, EBIT in the Public Sector decreased to 2.9 million euros (H1/2023: 5.6 million euros).

Business Sector

The Business Sector segment focuses on two private sector markets: healthcare and industry. With sales revenue of 16.8 million euros (H1/2023: 21.2 million euros), the segment generated 12% of Group sales revenue (H1/2023: 14%). As expected, lower sales revenue was achieved in the healthcare market. The reason for this is the market-wide transformation to Telematics Infrastructure 2.0 and the associated phasing out of the previous connector business.

Costs developed as follows: the cost of sales fell to 11.7 million euros (H1/2023: 18.9 million euros) in view of the sales revenue performance. Selling expenses increased to 3.2 million euros (H1/2023: 2.7 million euros). General administrative expenses remained unchanged at 0.8 million euros (H1/2023: 0.8 million euros). Research and development costs rose to 2.6 million euros (H1/2023: 0.5 million euros) due to further development of existing products and the non-capitalisable portion of newly developed products.

EBIT in the Business Sector amounted to -1.5 million euros, after -1.6 million euros in the previous year.

Order situation

At 169.6 million euros, incoming orders in the first half of 2024 were 15% higher than the previous year's figure of 147.0 million euros. As a result, the order book reached a very high level of 216.5 million euros as at 30 June 2024. Compared to the previous year's value (191.6 million euros), this corresponds to growth of 13%.

Both incoming orders and the order book are indicators of future business development and suggest an increase in sales volume for the second half of the year.

Assets and financial position

Capital structure

As at 30 June 2024, secunet Group's total assets amounted to 294.1 million euros compared to 328.6 million euros as at 31 December 2023. On the liabilities side, equity accounted for 123.9 million euros (31 December 2023: 137.8 million euros). The equity ratio increased to 42.1% on the basis of a reduced balance sheet total (31 December 2023: 41.9%). The remaining 170.2 million euros was attributable to borrowed capital (31 December 2023: 190.8 million euros).

Assets

Current assets amounted to 156.9 million euros as at 30 June 2024 after 192.6 million euros as at 31 December 2023. The following balance sheet items show a significant change compared with the figures as at 31 December 2023:

Trade receivables decreased to 59.5 million euros (31 December 2023: 88.9 million euros). As the fourth quarter is secunet's seasonal focus, there are high receivables at the end of the year, which are typically reduced in the first few months of the current financial year.

Cash and cash equivalents decreased to 21.1 million euros (31 December 2023: 41.3 million euros), primarily due to the dividend payment of 15.3 million euros in May 2024.

Non-current assets totalled 137.3 million euros as at 30 June 2024 after 136.0 million euros as at 31 December 2023. There were no significant changes to the relevant balance sheet items.

Debt and equity

Current liabilities decreased to 93.3 million euros as at 30 June 2024 after 112.9 million euros as at 31 December 2023.

Current contract liabilities increased to 38.4 million euros (31 December 2023: 32.5 million euros) and comprised transactions where secunet generates cash inflow in advance due to multiple-year maintenance and support contracts, and extended warranties or receives advance payments for later supplies or services.

Trade liabilities decreased to 23.8 million euros (31 December 2023: 32.4 million euros). As with trade receivables, this is due to the usual seasonal nature of the business.

Other current provisions fell from 18.7 million euros to 12.4 million euros. This is due to the decrease in personnel liabilities as a result of the variable remuneration components paid out in the reporting period for the past financial year.

Non-current liabilities totalled 76.9 million euros as at the reporting date (31 December 2023: 77.9 million euros), with no significant changes in the relevant items.

secunet Group's equity as at 30 June 2024 amounted to 123.9 million euros (31 December 2023: 137.8 million euros).

Cash flow and liquidity

secunet Group generated cash flow from operating activities of 3.7 million euros in the first half of 2024, an improvement on the previous year (-3.0 million euros). This was due to lower tax payments in the reporting period.

As in the previous year (-3.4 million euros), cash flow from investing activities totalling -5.6 million euros mainly comprised investments in intangible assets and property, plant and equipment.

The cash flow from financing activities totalled -18.3 million euros after -11.9 million euros in the previous year. This essentially reflects the dividend payment of 15.3 million euros (previous year: 18.5 million euros) and repayments of lease liabilities in the amount of 2.8 million euros (previous year: 2.7 million euros). In addition, at 0.8 million euros, the current reporting period saw significantly lower proceeds from short-term and long-term loans than in the same period of the previous year (10.1 million euros).

After the end of the first half of 2024, there was an overall outflow of cash and cash equivalents of 20.2 million euros (previous year: cash outflow of 18.3 million euros). Funds as at 30 June 2024 therefore amounted to 21.1 million euros after 41.3 million euros as at 31 December 2023 and 3.2 million euros as at 30 June 2023.

Investments

Investments in intangible assets and property, plant and equipment totalled 5.6 million euros in the first half of 2024. These were primarily expenditures for the new acquisition and replacement of hardware, software and other operating equipment, as well as investments in internally generated software. The corresponding expenditure in the previous year was 3.4 million euros.

Employees

As at 30 June 2024, secunet Group had a total of 1,043 permanent employees. Compared to the previous year's reporting date (1,013 permanent employees), the number of employees increased by 30 people or 3%. In addition, secunet Group employed 122 temporary staff as at the reporting date (30 June 2023: 125 temporary staff). This means that a total of 1,165 employees were working for secunet Group (30 June 2023: 1,138). The increase in the number of employees is exclusively due to organic growth.

The number of permanent employees remained unchanged compared to the reporting date of 31 December 2023. Here, too, secunet Group had 1,043 permanent employees. However, the total number of people working for secunet Group has increased compared to 31 December 2023 (1,161 people), as there were more temporary staff employed than at the end of 2023 (118 temporary staff).

Outlook, risks and opportunities

The fundamental assessment of the opportunities and risks for secunet Group has not changed since the publication of the 2023 Annual Report in March 2024. The disclosures contained in the Annual Report therefore continue to apply unchanged. Risks that jeopardise the continued existence of the company are currently not discernible.

The assessment of the expected business development in 2024 also remains unchanged. The forecast published in the 2023 Annual Report is confirmed. Sales revenue for the full financial year is expected to be around 390 million euros (2023: 393.7 million euros). EBIT is predicted to total around 42 million euros (2023: 43.0 million euros).

The fourth quarter is traditionally the high point in secunet's business performance during the year. This is due to the fact that public sector customers award more contracts during this period. This pattern is also expected to continue in the current year, meaning that the final quarter is once again likely to make a major contribution to annual revenue and earnings.

The risks arising from the German federal government's ongoing budget debate and the associated more restrictive investment behaviour of public-sector clients were well offset in the reporting period by increased sales activities, but must still be regarded as an inhibiting factor.

Forward-looking statements

This financial report contains statements regarding the future performance of secunet Group, as well as economic and political developments. These statements are opinions that we have formed based on the information currently available to us. Should the assumptions on which these statements are based not be applicable or should further risks arise, the actual results may deviate from the results currently expected. We cannot therefore offer any guarantee as to the accuracy of these statements.

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Consolidated balance sheet

as at 30 June 2024

Assets

in euros	30 June 2024	31 Dec 2023
Current assets		
Cash and cash equivalents	21,097,853.11	41,269,674.54
Trade receivables	59,478,211.50	88,896,835.69
Intercompany financial assets	360,330.56	1,234,850.54
Contract assets	5,869,522.29	2,872,998.07
Inventories	52,529,057.18	48,033,717.04
Other current assets	6,510,548.72	4,234,838.59
Income tax receivables	11,009,822.67	6,047,856.47
Total current assets	**156,855,346.03**	**192,590,770.94**
Non-current assets		
Property, plant and equipment	11,186,872.50	11,492,598.69
Right-of-use assets	15,309,388.88	17,376,742.30
Intangible assets	36,136,280.31	35,690,375.98
Goodwill	47,627,601.69	47,627,601.69
Non-current financial assets	6,445,787.25	6,438,407.00
Deferred taxes	4,148,876.02	3,241,252.60
Other non-current assets	16,414,660.79	**14,180,063.10**
Total non-current assets	**137,269,467.44**	**136,047,041.36**
Total assets	**294,124,813.47**	**328,637,812.30**

Liabilities

in euros	30 June 2024	31 Dec 2023
Current liabilities		
Trade accounts payable	23,798,619.69	32,354,865.81
Intercompany payables	146,950.78	173,410.58
Lease liabilities	4,978,300.79	5,032,943.46
Short-term loans and current portion of long-term loans	1,401,089.14	1,161,643.18
Other provisions	12,417,690.08	18,660,695.33
Income tax liabilities	4,899.23	51,235.23
Other current liabilities	12,095,240.69	22,938,684.64
Contract liabilities	38,431,842.59	32,522,556.53
Total current liabilities	**93,274,632.99**	**112,896,034.76**
Non-current liabilities		
Lease liabilities	10,867,972.81	12,897,754.89
Other non-current liability	2,894,235.77	2,977,256.29
Deferred taxes	11,194,106.00	11,006,351.21
Provisions for pensions	6,253,642.40	6,575,285.00
Other provisions	1,686,313.24	1,686,058.24
Contract liabilities	44,060,507.29	42,755,799.98
Total non-current liabilities	**76,956,777.51**	**77,898,505.61**
Equity		
Subscribed capital	6,500,000.00	6,500,000.00
Capital reserves	21,922,005.80	21,922,005.80
Other reserves	-394,662.06	-701,105.06
Retained earnings	95,770,948.14	110,026,191.28
Equity attributable to parent company shareholders	**123,798,291.88**	**137,747,092.02**
Non-controlling interests	**95,111.09**	**96,179.91**
Total equity	**123,893,402.97**	**137,843,271.93**
Total liabilities	**294,124,813.47**	**328,637,812.30**

Consolidated income statement

for the period from 1 January to 30 June 2024

in euros	1 Jan–30 Jun 2024	1 Jan–30 Jun 2023
Sales revenue	144,261,660.90	151,482,304.21
Cost of sales	-115,627,154.54	-127,483,327.47
Gross profit on sales	**28,634,506.36**	**23,998,976.74**
Selling expenses	-13,313,022.82	-12,709,731.15
Research and development costs	-7,544,989.74	-4,572,898.40
General administrative costs	-6,355,866.30	-5,391,514.52
Other operating income	5,289.80	2,660,297.60
Other operating expenses	-7,248.81	-4,154.00
Earnings before interest and taxes (EBIT)	**1,418,668.49**	**3,980,976.27**
Interest income	478,295.92	232.00
Interest expenses	-411,278.11	-335,405.44
Earnings before taxes (EBT)	**1,485,686.30**	**3,645,802.83**
Income taxes	-473,973.54	-1,197,651.55
Group profit for the period	**1,011,712.76**	**2,448,151.28**
of which attributable to shareholders of secunet AG	1,012,781.58	2,515,079.72
of which attributable to non-controlling interests	-1,068.82	-66,928.44
Earnings per share (diluted/undiluted)	0.16	0.39
Average number of shares outstanding (diluted/undiluted, units)	6,469,502	6,469,502

Group statement of comprehensive income

for the period from 1 January to 30 June 2024

in euros	1 Jan–30 Jun 2024	1 Jan–30 Jun 2023
Group profit for the period	1,011,712.76	2,448,151.28
Items not reclassified to the income statement		
Revaluation of defined benefit pension plans	450,188.00	-190,000.00
Taxes attributable to components of the other comprehensive income/loss	-143,745.00	61,000.00
Other comprehensive income/loss	**306,443.00**	**-129,000.00**
Consolidated comprehensive income/loss	**1,318,155.76**	**2,319,151.28**
of which attributable to shareholders of secunet AG	1,319,224.58	2,386,079.72
of which attributable to non-controlling interests	-1,068.82	-66,928.44

Consolidated cash flow statement

for the period from 1 January to 30 June 2024

in euros	1 Jan – 30 Jun 2024	1 Jan – 30 Jun 2023
Cash flow from operating activities		
Earnings before taxes	1,485,686.30	3,645,802.83
Depreciation and amortisation of tangible assets, right-of-use assets and intangible assets	8,174,885.12	8,543,016.82
Other non-cash income	0.00	-2,652,000.00
Changes in provisions	-6,216,644.85	-7,383,798.05
Book losses (net) on the sale of intangible assets and of property, plant and equipment	1,959.01	1,303.10
Interest result	-67,017.81	335,173.44
Change in receivables and other assets	18,290,971.99	20,186,248.99
Change in liabilities and deferred income	-11,586,609.27	-11,499,669.49
Tax paid	-6,345,889.37	-14,172,628.05
Cash inflow/outflow from operating activities	**3,737,341.12**	**-2,996,550.41**
Cash flow from investing activities		
Purchase of intangible assets and of property, plant and equipment	-5,625,910.93	-3,388,189.41
Proceeds from the sale of intangible assets and of property, plant and equipment	66,053.40	3,921.90
Purchase of financial assets	-60,257.42	-30,810.70
Proceeds from financial assets	52,877.17	19,395.80
Cash outflow from investing activities	**-5,567,237.78**	**-3,395,682.41**
Cash flow from financing activities		
Proceeds from short-term or long-term loans	814,921.24	10,058,685.15
Loan repayments	-1,284,043.03	-419,820.97
Dividend payment	-15,268,024.72	-18,502,775.72
Repayment portion of lease payments	-2,774,236.07	-2,727,953.94
Interest received	478,295.92	232.00
Interest paid	-308,838.11	-305,765.44
Cash outflow from financing activities	**-18,341,924.77**	**-11,897,398.92**
Reduction in cash and cash equivalents	**-20,171,821.43**	**-18,289,631.74**
Cash and cash equivalents at the beginning of the period	41,269,674.54	21,479,549.36
Cash and cash equivalents at the end of the period	**21,097,853.11**	**3,189,917.62**

Consolidated statement of changes in equity

for the period from 1 January to 30 June 2024

			Other reserves		
in euros	Subscribed capital	Capital reserves	Reserve for treasury shares	Revaluation of performance-oriented pension plans	
Equity as at 31 Dec 2022/1 Jan 2023	**6,500,000.00**	**21,922,005.80**	**-103,739.83**	**-191,506.20**	
Group profit for the period 1 Jan – 30 Jun 2023			0.00	0.00	
Other comprehensive income/loss 1 Jan – 30 Jun 2023			0.00	-190,000.00	
Consolidated comprehensive income 1 Jan – 30 Jun 2023			**0.00**	**-190,000.00**	
Dividend payment			0.00	0.00	
Equity as at 30 Jun 2023	**6,500,000.00**	**21,922,005.80**	**-103,739.83**	**-381,506.20**	
Group profit for the period 1 Jul – 31 Dec 2023			0.00	0.00	
Other comprehensive income/loss 1 Jul – 31 Dec 2023			0.00	-530,103.00	
Consolidated comprehensive income 1 Jul – 31 Dec 2023			0.00	-530,103.00	
Equity as at 31 Dec 2023/1 Jan 2024	**6,500,000.00**	**21,922,005.80**	**-103,739.83**	**-911,609.20**	
Group profit for the period 1 Jan – 30 Jun 2024			0.00	0.00	
Other comprehensive income/loss 1 Jan – 30 Jun 2024			0.00	450,188.00	
Consolidated comprehensive income 1 Jan – 30 Jun 2024			**0.00**	**450,188.00**	
Dividend payment			0.00	0.00	
Equity as at 30 Jun 2024	**6,500,000.00**	**21,922,005.80**	**-103,739.83**	**-461,421.20**	

	Other reserves					
	Income taxes attributable to components of the other comprehensive income/loss	Total other reserves	Retained earnings	Equity of secunet AG shareholders	Non-controlling interests	Total
	84,027.04	-211,218.99	99,378,962.70	127,589,749.51	244,698.07	127,834,447.58
	0.00	0.00	2,515,079.72	2,515,079.72	-66,928.44	2,448,151.28
	61,000.00	-129,000.00	0.00	-129,000.00	0.00	-129,000.00
	61,000.00	-129,000.00	2,515,079.72	2,386,079.72	-66,928.44	2,319,151.28
	0.00	0.00	-18,502,775.72	-18,502,775.72	0.00	-18,502,775.72
	145,027.04	-340,218.99	83,391,266.70	111,473,053.51	177,769.63	111,650,823.14
	0.00	0.00	26,634,924.58	26,634,924.58	-81,589.72	26,553,334.86
	169,216.93	-360,886.07	0.00	-360,886.07	0.00	-360,886.07
	169,216.93	-360,886.07	26,634,924.58	26,274,038.51	-81,589.72	26,192,448.79
	314,243.97	-701,105.06	110,026,191.28	137,747,092.02	96,179.91	137,843,271.93
	0.00	0.00	1,012,781.58	1,012,781.58	-1,068.82	1,011,712.76
	-143,745.00	306,443.00	0.00	306,443.00	0.00	306,443.00
	-143,745.00	306,443.00	1,012,781.58	1,319,224.58	-1,068.82	1,318,155.76
	0.00	0.00	-15,268,024.72	-15,268,024.72	0.00	-15,268,024.72
	170,498.97	-394,662.06	95,770,948.14	123,798,291.88	95,111.09	123,893,402.97

Selected consolidated explanatory notes

These Consolidated Interim Financial Statements as at 30 June 2024 have been prepared in compliance with the provisions of International Accounting Standard (IAS) 34 "Interim Financial Reporting", which governs interim financial statements in accordance with International Financial Reporting Standards (IFRS). They are Condensed Consolidated Interim Financial Statements in accordance with IAS 34 as adopted by the EU, which means they do not include all the information required by IFRS for consolidated financial statements at the end of a financial year. The Consolidated Interim Financial Statements must therefore be read in conjunction with the IFRS consolidated financial statements as at 31 December 2023 (Consolidated Financial Statements). These Consolidated Interim Financial Statements have not been audited, but have been reviewed by an auditor together with the Interim Group Management Report pursuant to Section 115 of the German Securities Trading Act (WpHG). The Condensed Consolidated Interim Financial Statements and the Interim Group Management Report for the first half of 2024 were approved by the Management Board of secunet Security Networks AG on 12 August 2024 to fulfil the obligation under Section 115 of the German Securities Trading Act (WpHG).

Accounting principles

The consolidation principles and the method of currency translation correspond to those used for the Consolidated Annual Financial Statements for the 2023 financial year. The accounting and valuation methods were retained. The Consolidated Financial Statements of secunet Security Networks AG as at 31 December 2023 were prepared on the basis of Articles 315 and 315e (1) of the German Commercial Code (Handelsgesetzbuch, HGB) and in accordance with the International Financial Reporting Standards as they are to be applied in the European Union.

The values shown in the consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity correspond to the normal course of business of secunet Group and do not include any extraordinary items.

The calculation of income taxes is based on a tax rate of 31.97%.

The preparation of the Consolidated Interim Financial Statements requires a series of assumptions and estimates on the part of management. As a result it is possible that the figures reported in the Consolidated Interim Financial Statements may deviate from the actual future figures. The main assumptions and estimates are fundamentally unchanged compared to the Consolidated Financial Statements as at 31 December 2023. The current geopolitical and economic upheavals have no direct impact on business activities, as was also the case in the 2023 Annual Financial Statements, and therefore the assets, liabilities, financial position and results of operations of secunet Group are not significantly affected.

New accounting rules

The following amendments to standards were to be applied for the first time in the 2024 financial year:

Standard / Interpretation	Content of the amendment
Amendments to IAS 1	Classification of Liabilities as Current or Non-current, including Deferral of Effective Date
Amendments to IAS 1	Non-current liabilities with covenants
Amendments to IFRS 16	Lease liabilities in the case of a sale-and-leaseback
Amendments to IAS 7 / IFRS 7	Supplier Finance Arrangements

The amended standards and interpretations that came into force on 1 January 2024 have no significant effect on secunet Group.

Consolidated group

In addition to secunet Security Networks AG, the Condensed Consolidated Interim Financial Statements include all associate companies that are controlled by secunet Security Networks AG. Control is considered to be in place if secunet has the power of disposition over the associate company, has a right to variable returns from the investment and has the opportunity to use the power of disposition over the associate company in a way that can influence the variable returns.

Non-controlling interests (minority shareholders) exist as a result of the consolidation of secustack GmbH i.L., Dresden.

Stock of treasury shares

As at 30 June 2024, the Company held 30,498 treasury shares, unchanged from 31 December 2023; this corresponds to 0.5% of the share capital.

Dividend

From the balance sheet profit of 15,268,024.72 euros reported for the 2023 financial year in the Annual Financial Statements under commercial law, dividends of 2.36 euros per share (amounting to a total of 15,268,024.72 euros) were distributed in accordance with the resolution of the Annual General Meeting on 23 May 2024.

Recognition of actuarial gains and losses in equity (“other comprehensive income”) from the revaluation of defined benefit pension plans

In the first six months of the 2024 financial year, a total of 0.5 million euros from the revaluation of the defined benefit pension plans as at 30 June 2024 was recognised in the other comprehensive income of secunet Group, with no effect on profit or loss, which increased equity. The revaluation includes the effects of the increase in the actuarial interest rate from 3.15% as at 31 December 2023 to 3.60% as at 30 June 2024. In this connection, an effect from deferred taxes totalling 0.1 million euros had an opposite impact on equity.

Segment reporting

secunet Group is split into two divisions: the Public Sector division and the Business Sector division. Both divisions are shown separately for the purposes of segment reporting, as they meet at least one of the quantitative thresholds defined in IFRS 8.13.

The Public Sector division offers its customers the SINA product family, i.e. solutions (software, hardware and management) for highly secure, cryptographic processing, transmission and storage of classified information with varying levels of confidentiality. Further solutions from the Public Sector division include products for electronic passports, automated (biometric) border controls and the ELSTER electronic tax declaration. Furthermore, a wide range of IT security products and services for public customers, ranging from IT security consulting and training to the equipment of large infrastructures with high-security technology and public key infrastructures, are also offered.

The Business Sector division provides IT security consulting and solutions for companies in the private and healthcare sectors. The product portfolio includes, for example, the secunet konnektor for healthcare telematics (in different variants depending on the size of the infrastructure to be served) and secunet edge, which enables Internet-supported production facilities to be secured.

Segment report H1 2024

in thousand euros	Public Sector	Business Sector	secunet H1 2024
Segment revenue	127,479	16,783	144,262
Cost of sales	-103,884	-11,743	-115,627
Selling expenses	-10,137	-3,176	-13,313
Research and development costs	-4,928	-2,617	-7,545
Administrative costs	-5,583	-777	-6,360
Segment result (EBIT)	2,948	-1,530	1,418
Interest result			67
Income from investments			0
Group profit before tax (EBT)			1,485
Goodwill	46,328	1,300	47,628

Segment report H1 2023

in thousand euros	Public Sector	Business Sector	secunet H1 2023
Segment revenue	130,234	21,248	151,482
Cost of sales	-105,894	-18,933	-124,827
Selling expenses	-10,025	-2,685	-12,710
Research and development costs	-4,072	-500	-4,572
Administrative costs	-4,617	-775	-5,392
Segment result (EBIT)	5,626	-1,645	3,981
Interest result			-335
Income from investments			0
Group profit before tax (EBT)			3,646
Goodwill	46,328	1,300	47,628

The accounting principles for the segments are identical to those used for the Consolidated Interim Financial Statements. Using apportionments, expenses (e.g. overhead costs) that are not directly allocable to the reportable segments are allocated to the reportable segments. A revenue-based allocation table is used for most cost items.

The segments are managed on the basis of the segment results. With the exception of non-essential components, the segments' assets are focused on the domestic market.

In segment reporting, income from the revaluation of the payout clause which is recorded in the income statement under other operating income is offset against the cost of sales.

Sales revenue

secunet Group realises its sales revenue entirely within the framework of contracts with customers.

The following overview breaks down sales by geographical characteristics, main revenue streams and revenue recognition.

	Public Sector		Business Sector		Group	
in thousand euros	H1 2024	H1 2023	H1 2024	H1 2023	H1 2024	H1 2023
Geographical allocation						
Domestic	114,723.8	118,971.8	16,575.0	20,983.8	131,298.8	139,955.6
Abroad	12,755.2	11,262.2	208.0	264.2	12,963.2	11,526.4
Total	**127,479.0**	**130,234.0**	**16,783.0**	**21,248.0**	**144,262.0**	**151,482.0**
Revenue generation						
Consultancy business	23,379.7	23,413.8	3,174.4	2,955.0	26,554.1	26,368.8
Product business	104,099.3	106,820.2	13,608.6	18,293.0	117,707.9	125,113.2
Total	**127,479.0**	**130,234.0**	**16,783.0**	**21,248.0**	**144,262.0**	**151,482.0**
Recognition of sales revenue						
Over time	43,050.6	36,163.9	10,889.1	11,691.8	53,939.7	47,855.7
At a point in time	84,428.4	94,070.1	5,893.9	9,556.2	90,322.3	103,626.3
Total	**127,479.0**	**130,234.0**	**16,783.0**	**21,248.0**	**144,262.0**	**151,482.0**

Additional notes on financial instruments

The carrying amounts and fair values of the financial instruments reported in the balance sheet are as follows:

30 June 2024	Carrying amounts				
in euros	Financial assets mandatory as FVTPL	At amortised cost	Not allocated to any IFRS 9 category	Financial liabilities at amortised cost	
Financial assets measured at fair value					
Non-current financial assets	0.00	0.00	6,445,787.25	0.00	
Financial assets not measured at fair value					
Cash and cash equivalents	0.00	21,097,853.11	0.00	0.00	
Trade receivables	0.00	59,478,211.50	0.00	0.00	
Intercompany financial assets	0.00	360,330.56	0.00	0.00	
Other current and non-current assets	0.00	290,784.67	0.00	0.00	
	0.00	**81,227,179.84**	**0.00**	**0.00**	
Financial liabilities measured at fair value					
Other non-current liabilities	8,491,643.00	0.00	0.00	0.00	
Financial liabilities not measured at fair value					
Trade accounts payable	0.00	0.00	0.00	23,798,619.69	
Intercompany payables	0.00	0.00	0.00	146,950.78	
Other current and non-current liabilities	0.00	0.00	0.00	4,295,324.91	
	0.00	**0.00**	**0.00**	**28,240,895.38**	

	Carrying amounts	Fair value			
	Total carrying amounts	Level 1	Level 2	Level 3	Total fair values
	6,445,787.25	0.00	6,445,787.25	0.00	6,445,787.25
	21,097,853.11	0.00	0.00	0.00	0.00
	59,478,211.50	0.00	0.00	0.00	0.00
	360,330.56	0.00	0.00	0.00	0.00
	290,784.67	0.00	0.00	0.00	0.00
	81,227,179.84	**0.00**	**0.00**	**0.00**	**0.00**
	8,491,643.00	0.00	0.00	8,491,643.00	8,491,643.00
	23,798,619.69	0.00	0.00	0.00	0.00
	146,950.78	0.00	0.00	0.00	0.00
	4,295,324.91	0.00	4,295,324.91	0.00	4,295,324.91
	28,240,895.38	**0.00**	**4,295,324.91**	**0.00**	**4,295,324.91**

31 December 2023	Carrying amounts				
in euros	Financial assets mandatory as FVTPL	At amortised cost	Not allocated to any IFRS 9 category	Financial liabilities at amortised cost	
Financial assets measured at fair value					
Non-current financial assets	0.00	0.00	6,438,407.00	0.00	
Financial assets not measured at fair value					
Cash and cash equivalents	0.00	41,269,674.54	0.00	0.00	
Trade receivables	0.00	88,896,835.69	0.00	0.00	
Intercompany financial assets	0.00	1,234,850.54	0.00	0.00	
Other current and non-current assets	0.00	409,299.26	0.00	0.00	
	0.00	**131,810,660.03**	**0.00**	**0.00**	
Financial liabilities measured at fair value					
Other non-current liabilities	8,491,643.00	0.00	0.00	0.00	
Financial liabilities not measured at fair value					
Trade accounts payable	0.00	0.00	0.00	32,354,865.81	
Intercompany payables	0.00	0.00	0.00	173,410.58	
Other current and non-current liabilities	0.00	0.00	0.00	4,138,899.47	
	0.00	**0.00**	**0.00**	**36,667,175.86**	

	Carrying amounts	Fair value			
	Total carrying amounts	Level 1	Level 2	Level 3	Total fair values
	6,438,407.00	0.00	6,438,407.00	0.00	6,438,407.00
	41,269,674.54	0.00	0.00	0.00	0.00
	88,896,835.69	0.00	0.00	0.00	0.00
	1,234,850.54	0.00	0.00	0.00	0.00
	409,299.26	0.00	0.00	0.00	0.00
	131,810,660.03	**0.00**	**0.00**	**0.00**	**0.00**
	8,491,643.00	0.00	0.00	8,491,643.00	8,491,643.00
	32,354,865.81	0.00	0.00	0.00	0.00
	173,410.58	0.00	0.00	0.00	0.00
	4,138,899.47	0.00	4,138,899.47	0.00	4,138,899.47
	36,667,175.86	**0.00**	**4,138,899.47**	**0.00**	**4,138,899.47**

Related party disclosures

Ms Jessica Nospers was appointed as new Chief Financial Officer of secunet AG with effect from 1 June 2024. She succeeds Mr Thomas Pleines, who left the company at the end of May 2024.

The consolidated companies of secunet Group have dealings with the main shareholder Giesecke+Devrient GmbH, Munich, and its affiliated companies in the course of their normal business activities. In addition, services are occasionally purchased as part of Service Level Agreements. All transactions are conducted in accordance with standard market terms.

In the first six months of the 2024 financial year, no members of the Management Board were promised or granted any benefits by a third party with regard to their activities as members of the Management Board. In the first six months of the 2024 financial year, the members of the Supervisory Board did not receive any further remuneration for services provided personally, in particular consulting and agency services, beyond the remuneration of the Supervisory Board regulated in the Articles of Association of secunet Security Networks AG. The employee representatives on the Supervisory Board receive remuneration at a normal market rate for their work. Neither the members of the Management Board nor the members of the Supervisory Board receive any loans from the Company.

Events after the end of the interim reporting period

There were no significant events after the balance sheet date.

Essen, 12 August 2024

Axel Deininger

Torsten Henn

Dr Kai Martius

Jessica Nospers

Responsibility Statement

"To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the Consolidated Interim Financial Statements give a true and fair view of the assets, liabilities, financial position and results of operations of the Group, and the Interim Group Management Report includes a true and fair presentation of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remainder of the financial year."

Essen, 12 August 2024

Axel Deininger

Torsten Henn

Dr Kai Martius

Jessica Nospers

Review Report

To secunet Security Networks Aktiengesellschaft, Essen

We have reviewed the Condensed Consolidated Interim Financial Statements – comprising the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement, the consolidated statement of changes in equity and selected explanatory notes – and the Interim Group Management Report of secunet Security Networks Aktiengesellschaft, Essen, for the period from 1 January 2024 to 30 June 2024, which are integral parts of the Half-Year Report pursuant to Article 115 of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG). The preparation of the Condensed Consolidated Interim Financial Statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the Interim Group Management Report in accordance with the requirements of the German Securities Trading Act (WpHG) applicable to interim group management reports is the responsibility of the Company's Management Board. Our responsibility is to issue a review report on the Condensed Consolidated Interim Financial Statements and the Interim Group Management Report based on our review.

We conducted our review of the Condensed Consolidated Interim Financial Statements and the Interim Group Management Report in accordance with the German Generally Accepted Standards for Financial Statement Audits as promulgated by the Institut der Wirtschaftsprüfer (IDW). These standards require that we plan and perform the review in such a way that we can preclude, through critical appraisal and with reasonable assurance, that the Condensed Consolidated Interim Financial Statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the Interim Group Management Report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act (WpHG) applicable to interim group management reports. A review is essentially limited to the questioning of Company personnel and analytical assessments and therefore does not provide the same assurance as is attainable in a financial statement audit. Since, in accordance with our mandate, we have not performed an audit of the financial statements, we cannot issue an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the Condensed Consolidated Interim Financial Statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU or that the Interim Group Management Report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act (WpHG) applicable to interim group management reports.

Essen, 12 August 2024

BDO AG
Wirtschaftsprüfungsgesellschaft

Marc Fritz
Wirtschaftsprüfer
(German Public Auditor)

Dr Marcus Falk
Wirtschaftsprüfer
(German Public Auditor)

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Financial Calendar 2024

13 August 2024
Half-Year Financial Report 2024

12 November 2024
Group Quarterly Statement as at 30 September 2024

Imprint

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Information

This financial report contains statements regarding the future performance of secunet Group, as well as economic and political developments. These statements are opinions that we have formed based on the information currently available to us. Should the assumptions on which these statements are based not be applicable or should further risks arise, the actual results may deviate from the results currently expected. We cannot therefore offer any guarantee as to the accuracy of these statements.

Due to rounding, it is possible that individual figures in this financial report may not add up precisely to the totals provided and percentages presented may not accurately reflect the absolute values to which they relate.

For better readability, we use only the grammatically masculine form in this financial report. References to persons always apply to all genders involved: male, female, diverse.

All the brand and trade names or product names mentioned in this financial report are the property of the corresponding holder. This applies in particular for DAX, MDAX, SDAX, TecDAX and Xetra as registered trademarks and property of Deutsche Börse AG.

This financial report was published on 13 August 2024. It is available in German and English. Both versions are available for download at www.secunet.com. The German version is legally binding in cases of doubt.

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