



Group Management Report for the first six months 2021

January 1 to June 30, 2021

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Letter to Our Stockholders

Dear stockholders and business partners,

At the end of the Annual Stockholders' Meeting on May 6, 2021, I took up the baton as CEO of INTERSHOP Communications AG from my long-time colleague Dr. Jochen Wiechen. In this new role, I am pleased to be able to report to you on a high-growth and profitable first half of 2021.

After a very satisfactory first quarter, we also increased sales in the second quarter and recorded a positive result. With our transition from a license to cloud provider, we have been on a profitable growth path for six quarters, but we are not resting on our laurels. During the reporting period, we acquired attractive new customers and expanded our cloud business. Our incoming cloud orders have increased by over 30%, and overall we have grown in cloud sales by almost 50%. The recurring revenues, which make up an ever increasing share of total sales, give our business stability and provide us with long-term planning and control security.

In addition, we are continuously working on optimizing our cloud margin. The economy suffered badly from the corona pandemic last year, but the mood in many companies is now increasingly brightening and the trend towards greater digitization of business models continues. We are ready to help our customers to be more successful with a powerful, scalable cloud commerce solution and to create new room for maneuver. The exciting digitization projects that we successfully implemented in the first half of the year, for example with Galatea, Burckhardt Compression or KION North America, underscore our commitment. In order to make it easier for our B2B customers to access leading technological solutions in the future, we recently extended and intensified our strong cloud partnership with Microsoft.

In view of a well-filled new customer pipeline and the tailwind from the first two quarters, I am convinced that we will achieve our goals for 2021. I would like to thank you, our shareholders, for your trust in Intershop and I am delighted that you will continue to accompany us on our growth path.

Best regards,



Markus Klahn

Key Figures for the Group

in EUR thousand	6-Months 2021	6-Months 2020	Change
KPIs			
Cloud order entry	9,654	7,359	31%
Net New ARR	1,493	741	101%
Revenue	18,286	16,459	11%
EBIT	992	494	101%
REVENUES			
Revenues	18,286	16,459	11%
Licenses and Maintenance	4,921	6,121	-20%
Cloud and Subscription	5,123	3,458	48%
Service Revenues	8,242	6,880	20%
Revenues Europe	12,740	11,772	8%
Revenues USA	3,362	2,487	35%
Revenues Asia/Pacific	2,184	2,200	-1%
EARNINGS			
Cost of revenues	9,648	9,054	7%
Gross profit	8,638	7,405	17%
Gross margin	47%	45%	
Operating expenses, operating income	7,646	6,911	11%
Research and development	2,692	1,818	48%
Sales and marketing	3,884	3,579	9%
General and administrative	1,592	1,545	3%
Other operating income/expenses	(522)	(31)	++
EBIT	992	494	101%
EBIT-Margin	5%	3%	
EBITDA	2,614	2,268	15%
EBITDA margin	14%	14%	
Net result	726	358	103%
Earnings per share (EUR)	0.05	0.03	++
NET ASSETS			
Shareholders´ equity	17,288	16,055	8%
Equity ratio	44%	61%	
Balance sheet total	38,967	26,308	48%
Noncurrent assets	20,893	12,473	68%
Current assets	18,074	13,835	31%
Noncurrent liabilities	11,695	92	++
Current liabilities	9,984	10,161	-2%
FINANCIAL POSITION			
Cash and cash equivalents	11,646	7,942	47%
Net cash operating activities	2,344	2,092	12%
Depreciation and amortization	1,622	1,774	-9%
Net cash used in investing activities	(502)	(1,201)	-58%
Net cash provided by financing activities	(1,814)	(609)	++
EMPLOYEES	294	299	-2%

Group Management Report

Overall Economy and Industry

According to the current projections of the International Monetary Fund (IMF), the global economy will grow by 6.0% in 2021 as a whole. In addition, monetary policy measures and progressive vaccination successes support this forecast, which, however, is still fraught with great uncertainty and is subject to the further course of the corona pandemic. In the industrialized countries, the combined gross domestic product will increase by 5.1%, and for Germany, the IMF expects an increase of 3.6% in 2021.

With the overall economy recovering and digital business initiatives accelerating, global IT spending will also increase again. According to the US research and consulting company Gartner, global IT spending is expected to rise to a total of USD 4.1 trillion, which corresponds to a growth of 8.4%. In the business software sector, growth of 10.8% to USD 517 billion is expected for the current year. Spending for IT services is expected to increase by 9.0% to USD 1.1 trillion, according to Gartner. For Germany, the industry association Bitkom expects growth of 4.1% in the software sector in the current year. For the market for IT services, Bitkom expects only slight growth of 1.1% in 2021.

The e-Commerce boom, accelerated by the corona pandemic, will continue in 2021. The analysis company eMarketer expects a worldwide increase in sales in online retailing of 16.8% to USD 4.9 trillion. B2B e-Commerce is also gaining momentum and will continue to be further boosted during the pandemic by the accelerated shift of business to digital sales channels. According to a study by Grand View Research, the market will expand at an average annual growth rate of 17.5% from 2020 to 2027.

Business performance during the first six months of 2021

In the first six months of 2021, the Intershop Group generated revenues of EUR 18.3 million (prior year: EUR 16.5 million), an increase of 11% compared to the same period of the prior year. The operating result before interest and taxes (EBIT) are again positive in the second quarter and amounted to around EUR 1.0 million for the reporting period of the first half of 2021 (prior year: EUR 0.5 million). The Company is thus continuing on its profitable growth path. The Group's most important financial key figures (KPIs) are shown in the overview below.

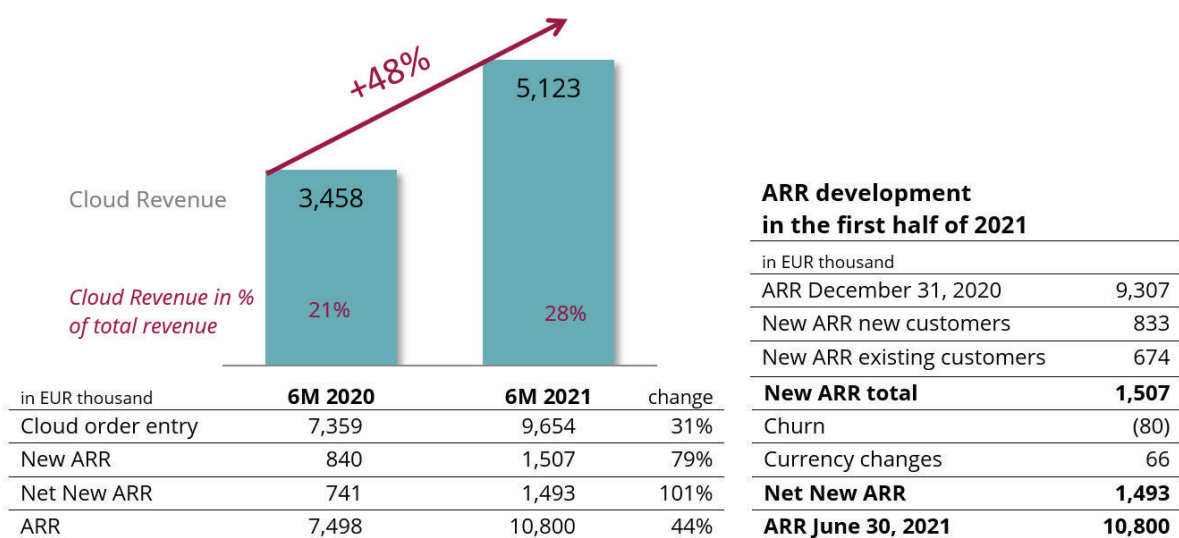
in EUR thousand	6M 2021	6M 2020	Change
Cloud Order Entry	9,654	7,359	31%
Net New ARR	1,493	741	101%
Revenue	18,286	16,459	11%
EBIT	992	494	101%

Strong cloud growth continues in the first half of 2021

In the second quarter, Intershop also succeeded in acquiring attractive new customers and expanding cooperation with existing customers, thus recording further strong growth across the entire cloud business. For incoming cloud orders (new and existing customers), Intershop recorded an increase of 31% to EUR 9.7 million in the first six months of 2021. EUR 6.3 million of this are attributable to new customers and EUR 3.4 million to existing customers. Cloud revenues rose significantly in the reporting period from EUR 3.5 million to EUR 5.1 million, which corresponds to growth of 48%. The share of cloud revenues in total revenues increased to 28% (prior year: 21%).

The net new ARR (new annual recurring revenue less cancellations and currency translation differences) more than doubled from EUR 0.7 million to EUR 1.5 million. Intershop gained six new customers in the first half of 2021, who contributed EUR 0.8 million to the new ARR; a new ARR of EUR 0.7 million was achieved with existing customers. As of June 30, 2021, the ARR (annual recurring revenue) increased to EUR 10.8 million, corresponding to an increase of 44% compared to June 30, of the prior year (ARR of EUR 7.5 million). The cloud margin improved from 38% in the first half of the prior year to 48% in the reporting period.

Cloud Business Development



Earnings Position

The development of the key earnings figures of the Group is shown in the overview below:

in EUR thousand	6M 2021	6M 2020	Change
Revenues	18,286	16,459	11%
Cost of revenues	9,648	9,054	7%
Gross margin	47%	45%	
Operating expenses, operating income	7,646	6,911	11%
EBIT	992	494	101%
EBIT margin	5%	3%	
EBITDA	2,614	2,268	15%
EBITDA margin	14%	14%	
Earnings after tax	726	358	103%

The Intershop Group generated **revenues** of EUR 18.3 million in the first six months of 2021. As a result, 11% growth could be achieved compared to the prior-year period. Revenues from April to June rose by 18% to EUR 9.5 million compared to the second quarter of the prior year. In the core segment **Software and Cloud**, the Intershop Group achieved an increase in sales of 5% to EUR

10.0 million (prior year: EUR 9.6 million). As expected, revenues in the **Licenses and Maintenance** group fell by 20% from EUR 6.1 million in the first half of 2020 to EUR 4.9 million in the first six months of 2021. This development was overcompensated by the continued focus on the **Cloud and Subscription** segment, which led to strong growth of 48% to EUR 5.1 million. **Service revenues** increased by 20% to EUR 8.2 million in the first half of 2021 compared to the same period in the prior year (prior year: EUR 6.9 million). After project delays and postponements due to the corona pandemic in the second and third quarters of 2020, the decision-making and work processes normalized in the first quarter of 2021. These recovery effects continued in the second quarter. The share of service revenues in total revenues increased from 42% to 45%.

The following overview shows the development of revenues:

in EUR thousand	6M 2021	6M 2020	Change
Software and Cloud Revenues	10,044	9,579	5%
Licenses and Maintenance	4,921	6,121	-20%
Licenses	1,042	2,064	-50%
Maintenance	3,879	4,057	-4%
Cloud and Subscription	5,123	3,458	48%
Service Revenue	8,242	6,880	20%
Revenues total	18,286	16,459	11%

Europe continues to be the Group's dominant sales region. There, revenues in the reporting period increased by 8% to EUR 12.7 million compared to the first half of 2020. The share of European customers in total revenues is thus 70%. The US market recorded particularly strong growth. There, revenues increased by 35% to EUR 3.4 million, with the region contributing 18% to total revenues. Revenues in the Asia-Pacific region remained stable at EUR 2.2 million. This corresponds to a share of 12%.

The **gross profit** improved in the reporting period to EUR 8.6 million, which corresponds to an increase of 17% compared to the prior year. The reasons for this are the increased cloud revenues and cloud margin as well as the recovery in the service segment. The gross margin climbed 2 percentage points to 47%. **Operating expenses and income** increased by 11% to EUR 7.6 million. In the research and development segment, costs increased by 48% to EUR 2.7 million, in particular due to increased investments in the Company's own cloud platform. The costs for sales and marketing rose by 9% to EUR 3.9 million. At EUR 1.6 million, general administrative costs were slightly higher than in the same period of the prior year (prior year: EUR 1.5 million). The other operating income includes a one-off earning of EUR 0.4 million, as a loan issued in the course of the US corona aid last year was completely waived in June 2021. After deducting all individual items, the **total costs** (cost of revenues and operating expenses / income) were EUR 17.3 million and thus 8% above that of the prior year.

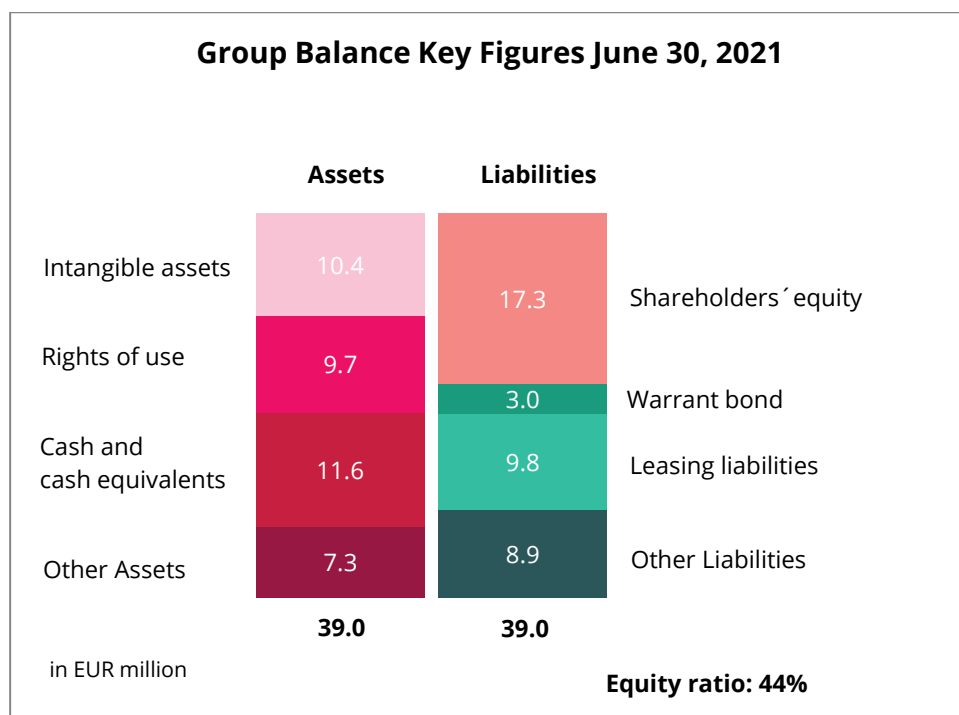
The **operating result (EBIT)** amounted to EUR 1.0 million in the first six months (prior year: EUR 0.5 million). Earnings before interest and taxes in the second quarter amounted to EUR 0.6 million after EUR 0.4 million in the first quarter of 2021. The operating result before depreciation and amortization (EBITDA) amounted to EUR 2.6 million (prior year: EUR 2.3 million). The **result for the period** (earnings after taxes) was EUR 0.7 million (prior year: EUR 0.4 million), which corresponds to earnings per share of EUR 0.05 (prior year: EUR 0.03).

Net Asset and Financial Position

As of the interim balance sheet date of June 30, 2021, the **balance sheet total** of the Intershop Group amounted to EUR 39.0 million, 33% above the figure at the end of 2020. The increase is mainly due to the capitalization of the right of use according to IFRS 16 for leasing new office space. The Company's headquarters in Jena was relocated at the end of January 2021.

On the **assets side**, non-current assets increased from EUR 12.8 million as of December 31, 2020 to EUR 20.9 million as of June 30, 2021. The rights of use according to IFRS 16 increased to EUR 9.7 million (December 31, 2020: EUR 1.2 million). Current assets increased to EUR 18.1 million (December 31, 2020: EUR 16.5 million), in particular due to the 40% increase in trade receivables to EUR 5.5 million.

On the **liabilities side**, equity increased by 5% to EUR 17.3 million. The non-current liabilities increased from EUR 3.8 million to EUR 11.7 million due to the corresponding capitalization of the lease liabilities for the new office space. Current liabilities amounted to EUR 10.0 million (December 31, 2020: EUR 9.0 million). The increase is mainly due to higher deferred revenue and current lease liabilities. The liabilities to banks in the amount of EUR 1.5 million as of December 31, 2020 were fully reduced due to the regular repayment of two loans of EUR 1.1 million and the waived repayment of a loan of EUR 0.4 million as part of the US corona aid. The **equity ratio** decreased from 56% to 44% as of the interim balance sheet date due to the increased balance sheet total.



The **cash flow** from operating activities amounted to EUR 2.3 million in the first half of the year after EUR 2.1 million in the same period of the prior year. This is mainly due to higher deferred revenue, which includes advance payments from customers. The cash outflow from investment activities reduced to EUR 0.5 million after EUR 1.2 million in the prior year due to the return of restricted cash relating to a rental deposit and lower payments for investments in intangible assets. The cash outflow from financing activities increased to EUR 1.8 million compared to a cash outflow of EUR 0.6 million in the same period of the prior year, in particular due to the repayment of the loans. Overall, cash and cash equivalents remained at the level of the end of 2020 at EUR 11.6 million.

Research and Development

Intershop's research and development work focuses on the continuous further development of the Intershop commerce platform. Technical updates as well as innovative functions and extensions are provided continuously within the existing product cycles. In addition, major platform releases are regularly developed that contain significant function upgrades. Intershop has an efficient and experienced development team.

The Company also attaches great importance to closely collaborating with leading universities. This gives the Company direct access to know-how and excellent young talent, who, in the case of the Jena universities, often work for Intershop during their studies and contribute their knowledge.

Management Board

At the end of the Annual Stockholders' Meeting on May 6, 2021, the planned change in the post of CEO was completed. Markus Klahn, who has been on the board as COO since April 2018, has been CEO of INTERSHOP Communications AG since then and is the sole director of the Company. The previous CEO, Dr. Jochen Wiechen, will leave the company at his own request at the end of his Management Board contract as planned at the end of August 2021 and will be available to the Company in an advisory capacity until the end of his contract term. Dr. Wiechen had been Chief Technical Officer since August 1, 2013 and then CEO of INTERSHOP Communications AG as of September 1, 2015.

Employees

At the end of June 2021, Intershop had 294 full-time employees worldwide. Compared to the prior-year reporting date, this means a slight decrease of 5 employees.

The following overview shows the breakdown of full-time employees by business unit.

Employees by department*	June 30, 2021	December 31, 2020	June 30, 2020
Technical Departments (Service functions and Research and Development)	225	227	227
Sales and Marketing	40	40	41
General and administrative	29	32	32
	294	299	299

*based on full time staff, including students and trainees

At the interim balance sheet date, the number of employees in Europe was 251 or 85% of the workforce. In the Asia-Pacific region, there were 26 employees (9%); in the U.S., the share was 6% with 17 employees.

Outlook

For the entire year of 2021, the International Monetary Fund (IMF) expects the global economy to grow by 6%. Even if the economic situation has eased significantly again after the negative consequences of the corona pandemic, manufacturing and wholesale companies in the B2B sector - the classic customers of Intershop - are still showing a slight reluctance to make investment decisions. On the other hand, digitization has picked up speed and the e-Commerce sector in particular is recording continuous, high growth rates. With the successful transformation of Intershop to a cloud provider, the Company believes it is well positioned to support its B2B customers in the digital restructuring with scalable cloud commerce solutions. With strong cloud partnerships, such as the recently prematurely extended, strategic cooperation with Microsoft, the aim is to make it easier for customers to access future-oriented technologies and at the same time to increase Intershop's international visibility and enable an accelerated go-to-market. In order to be even more agile and customer-oriented in the future, the Company is focusing on further gearing the organization towards streamlined, fast, and intelligent business processes with clear responsibilities.

Due to the positive results in the first half of the year, a well-filled new customer pipeline and the organizational restructuring, the Management continues to confirm the forecast increase in incoming cloud orders by at least 10% for 2021 and a slight increase in net new ARR. With a slight increase in revenues, a slightly positive operating result (EBIT) is expected.

Consolidated Balance Sheet

in EUR thousand	June 30, 2021	December 31, 2020
ASSETS		
Noncurrent assets		
Intangible assets	10,426	10,378
Property, plant and equipment	494	531
Rights of use IFRS 16	9,729	1,196
Other noncurrent assets	0	14
Restricted cash	159	635
Deferred tax assets	85	85
	20,893	12,839
Current assets		
Trade receivables	5,529	3,939
Other receivables and other assets	899	1,008
Cash and cash equivalents	11,646	11,574
	18,074	16,521
TOTAL ASSETS	38,967	29,360
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Subscribed capital	14,194	14,194
Capital reserve	2,575	2,575
Other reserves	519	(234)
	17,288	16,535
Noncurrent liabilities		
Warrant Bond	3,049	3,038
Leasing liabilities IFRS 16	8,646	810
	11,695	3,848
Current liabilities		
Other current provisions	298	286
Liabilities to banks	0	1,486
Trade accounts payable	1,670	1,480
Income tax liabilities	26	28
Leasing liabilities IFRS 16	1,129	397
Other current liabilities	2,782	2,623
Deferred revenue	4,079	2,677
	9,984	8,977
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	38,967	29,360

Consolidated Statement of Comprehensive Income

in EUR thousand	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Revenues				
Software and Cloud Revenues	5,136	4,739	10,044	9,579
Service Revenues	4,329	3,277	8,242	6,880
	9,465	8,016	18,286	16,459
Cost of revenues				
Cost of revenues - Software and Cloud	(2,268)	(1,913)	(4,387)	(3,801)
Cost of revenues - Services	(2,597)	(2,471)	(5,261)	(5,253)
	(4,865)	(4,384)	(9,648)	(9,054)
Gross profit	4,600	3,632	8,638	7,405
Operating expenses, operating income				
Research and development	(1,456)	(809)	(2,692)	(1,818)
Sales and marketing	(2,101)	(1,832)	(3,884)	(3,579)
General and administrative	(853)	(779)	(1,592)	(1,545)
Other operating income	519	66	614	183
Other operating expenses	(70)	(77)	(92)	(152)
	(3,961)	(3,431)	(7,646)	(6,911)
Result from operating activities	639	201	992	494
Interest income	0	0	0	0
Interest expense	(100)	(19)	(201)	(46)
Financial result	(100)	(19)	(201)	(46)
Earnings before tax	539	182	791	448
Income taxes	(17)	(58)	(65)	(90)
Earnings after tax	522	124	726	358
Other comprehensive income:				
Exchange differences on translating foreign operations	(48)	114	27	(34)
Other comprehensive income from exchange differences	(48)	114	27	(34)
Total comprehensive income	474	238	753	324
Earnings per share (EUR, basic, diluted)	0.04	0.01	0.05	0.03

Consolidated Statement of Cash Flows

in EUR thousand	Six months ended June 30,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Earnings before tax	791	448
<i>Adjustments to reconcile net profit/loss to cash used in operating activities</i>		
Financial result	201	46
Depreciation and amortization	1,622	1,774
Other noncash expenses and income	(462)	44
<i>Changes in operating assets and liabilities</i>		
Accounts receivable	(1,529)	797
Other assets	118	155
Liabilities and provisions	340	(1,223)
Deferred revenue	1,396	179
Net cash provided by (used in) operating activities before income tax and interest	2,477	2,220
Interest paid	(68)	(33)
Income taxes paid	(65)	(95)
Net cash provided by (used in) operating activities	2,344	2,092
CASH FLOWS FROM INVESTING ACTIVITIES		
Restricted cash	476	0
Payments for investments in intangible assets	(893)	(1,157)
Proceeds on disposal of equipment	1	1
Purchases of property and equipment	(86)	(45)
Net cash provided by (used in) investing activities	(502)	(1,201)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from loan	0	474
Repayments of loans	(1,041)	(250)
Payments for leasing liabilities	(773)	(833)
Net cash provided by (used in) financing activities	(1,814)	(609)
Effect of change in exchange rates	44	(71)
Net change in cash and cash equivalents	72	211
Cash and cash equivalents, beginning of period	11,574	7,731
Cash and cash equivalents, end of period	11,646	7,942

Consolidated Statement of Shareholders' Equity

in EUR thousand							
	Common shares (Number shares)	Subscribed capital	Capital reserve	Conversion reserve	Other reserves Cumulative profit/ loss	Cumulative currency differences	Total Shareholders' equity
Balance, January 1, 2021	14,194,164	14,194	2,575	(93)	(2,197)	2,056	16,535
Total comprehensive income					726	27	753
Balance, June 30, 2021	14,194,164	14,194	2,575	(93)	(1,471)	2,083	17,288
Balance, January 1, 2020	42,582,492	42,582	1,082	(93)	(29,959)	2,119	15,731
Total comprehensive income					358	(34)	324
Simplified capital decrease	(28,388,328)	(28,388)	1,419		26,969		0
Balance, June 30, 2020	14,194,164	14,194	2,501	(93)	(2,632)	2,085	16,055

Notes on the Consolidated Financial Statements as of June 30, 2021

General disclosures

This interim report as of June 30, 2021 is unaudited and must be read in conjunction with the consolidated financial statements and the associated notes to the consolidated financial statements for fiscal year 2020. The consolidated financial statements and the notes to the consolidated financial statements are contained in the Company's Annual Report for the fiscal year ended December 31, 2020. The 2020 Annual Report is available on the Company's web site at <https://www.intershop.com/financial-reports>.

Accounting principles (Compliance statement)

The interim consolidated financial statements of INTERSHOP Communications AG were prepared in accordance with the International Financial Reporting Standards (IFRSs) valid at the balance sheet date, which include standard (IFRS, IAS) adopted by IASB, and the Interpretations (IFRIC, SIC) issued by the International Financial Reporting Interpretations Committee (IFRS IC), as adopted by the EU. The interim consolidated financial statements have been prepared in euros. Unless stated otherwise, all amounts are given as thousands of euros (EUR thousand). Figures are rounded to the nearest thousand and totals may not sum due to rounding.

Basis of consolidation

The scope of consolidation of the entities of INTERSHOP Communications AG includes, as of June 30, 2021, in addition to the parent company, the subsidiaries Intershop Communications, Inc., Intershop Communications Australia Pty Ltd, Intershop Communications Asia Limited, The Bakery GmbH, Intershop Communications Ventures GmbH as well as Intershop Communications SARL.

Accounting policies

The same accounting policies were used to prepare this interim report as for the consolidated financial statements for fiscal year 2020. The policies used are described in detail on pages 44 to 51 of the 2020 Annual Report.

Leases

The Company moved into new offices at the company headquarters at the end of January 2021. The items shown in the balance sheet in connection with the leases have increased accordingly.

Rights of use IFRS 16

in EUR thousand	Office space	Office and operating equipment	Vehicles	Total
Balance at Jan. 1, 2020	1,690	0	73	1,763
Additions	0	969	96	1,065
Disposals	0	0	0	0
Depreciation	(1,512)	(44)	(62)	(1,618)
Currency translation differences	(14)	0	0	(14)
Balance at Dec. 31, 2020	164	925	107	1,196
Additions	8,542	681	0	9,223
Disposals	(37)	0	0	(37)
Depreciation	(487)	(138)	(29)	(654)
Currency translation differences	1	0	0	1
Balance at June 30, 2021	8,183	1,468	78	9,729

Lease liabilities IFRS 16

in EUR thousand	June 30, 2021	Dec.31, 2020
Non-current	8,646	810
Current	1,129	397
	9,775	1,207

The interest expenses for lease liabilities amounted to EUR 116 thousand in the first six months of 2021 (6M 2020: EUR 18 thousand).

Equity

The change in equity of INTERSHOP Communications AG is shown in the consolidated statement of changes in equity. As of June 30, 2021, subscribed capital was unchanged at EUR 14,194,164 and is divided into 14,194,164 non-par value bearer shares.

Liabilities to banks

On June 30, 2021, the Company repaid the loans with Sparkasse Jena-Saale-Holzland and Commerzbank AG in full. The repayment for the loan that Intershop had received as part of the US corona aid was waived in full because certain application requirements were met. The income of EUR 445 thousand was reported under other operating income.

Earnings per share

The calculation of basic and diluted earnings per share is based on the following data:

in EUR thousand	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Basis for calculating basic earnings per share (earnings after tax)	522	124	726	358
Interest expenses for warrant bonds	29	0	57	0
Basis for calculating the diluted earnings per share	551	124	783	358

in thousand	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Weighted average of common shares (basic)	14,194	14,194	14,194	14,194
Effect of the conversion of the warrant bonds	1,419	0	1,419	0
Weighted average of common shares (diluted)	15,613	14,194	15,613	14,194

in EUR	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Earnings per share (basic/diluted)	0.04	0.01	0.05	0.03

Segment Reporting

Three months ended June 30, 2021					
in EUR thousand	Europe	U.S.A	Asia/ Pacific	Consoli- dation	Group
Revenues from external customers					
Software and Cloud Revenue	3,907	723	506	0	5,136
Licenses and Maintenance	2,237	120	101	0	2,458
Licenses	395	0	20	0	415
Maintenance	1,842	120	81	0	2,043
Cloud and Subscription	1,670	603	405	0	2,678
Service Revenue	2,747	941	641	0	4,329
Total revenues from external customers	6,654	1,664	1,147	0	9,465
Intersegment revenues	377	81	0	(458)	0
Total revenues	7,031	1,745	1,147	(458)	9,465
Result from operating activities	442	108	89	0	639
Financial result					(100)
Earnings before tax					539
Income taxes					(17)
Earnings after tax					522

Three months ended June 30, 2020					
	Europe	U.S.A	Asia/ Pacific	Consoli- dation	Group
in EUR thousand					
Revenues from external customers					
Software and Cloud Revenue	3,577	629	533	0	4,739
Licenses and Maintenance	2,686	155	171	0	3,012
Licenses	979	11	0	0	990
Maintenance	1,707	144	171	0	2,022
Cloud and Subscription	891	474	362	0	1,727
Service Revenue	2,227	551	499	0	3,277
Total revenues from external customers	5,804	1,180	1,032	0	8,016
Intersegment revenues	331	2	1	(334)	0
Total revenues	6,135	1,182	1,033	(334)	8,016
Result from operating activities	148	31	22	0	201
Financial result					(19)
Earnings before tax					182
Income taxes					(58)
Earnings after tax					124

Six months ended June 30, 2021					
	Europe	U.S.A	Asia/ Pacific	Consoli- dation	Group
in EUR thousand					
Revenues from external customers					
Software and Cloud Revenue	7,571	1,500	973	0	10,044
Licenses and Maintenance	4,497	240	184	0	4,921
Licenses	1,020	0	22	0	1,042
Maintenance	3,477	240	162	0	3,879
Cloud and Subscription	3,074	1,260	789	0	5,123
Service Revenue	5,169	1,862	1,211	0	8,242
Total revenues from external customers	12,740	3,362	2,184	0	18,286
Intersegment revenues	807	81	2	(890)	0
Total revenues	13,547	3,443	2,186	(890)	18,286
Result from operating activities	686	180	126	0	992
Financial result					(201)
Earnings before tax					791
Income taxes					(65)
Earnings after tax					726

Six months ended June 30, 2020					
in EUR thousand	Europe	U.S.A	Asia/ Pacific	Consolidation	Group
Revenues from external customers					
Software and Cloud Revenue	7,214	1,315	1,050	0	9,579
Licenses and Maintenance	5,464	300	357	0	6,121
Licenses	2,053	11	0	0	2,064
Maintenance	3,411	289	357	0	4,057
Cloud and Subscription	1,750	1,015	693	0	3,458
Service Revenue	4,558	1,172	1,150	0	6,880
Total revenues from external customers	11,772	2,487	2,200	0	16,459
Intersegment revenues	539	2	2	(543)	0
Total revenues	12,311	2,489	2,202	(543)	16,459
Result from operating activities	354	75	65	0	494
Financial result					(46)
Earnings before tax					448
Income taxes					(90)
Earnings after tax					358

Litigation

In the first six months of the 2021 fiscal year, the following changes took place with regard to the legal disputes listed on page 73 of the 2020 Annual Report:

In one case, the Company asserts payment claims from a contractual agreement with a customer from 2013. The receivables were fully removed from the books in prior years. The contract partner had filed a counterclaim. The Regional Court of Gera has rejected the counterclaim of the contractual partner, this partial ruling is also final.

Directors' holdings and Securities transactions subject to reporting requirements

As of June 30, 2021, the company's executive body members held the following number of Intershop ordinary bearer shares:

Name	Function	Shares
Markus Klahn	CEO of the Board of Management	11,366
Christian Oecking	Chairman of the Supervisory Board	35,000
Ulrich Prädell	Vice Chairman of the Supervisory Board	7,535
Univ.-Prof. Dr. Louis Velthuis	Member of the Supervisory Board	10,000

In the first six months of 2021, one member of the company's executive bodies completed the following reportable securities transaction involving Intershop non-par bearer shares:

Name	Date	Type of transaction	Amount	Total value (EUR)
Christian Oecking	05/07/2021	Acquisition	8,000	32,119

Events subsequent to the balance sheet date

No material events that must be reported occurred after the balance sheet date.

Responsibility statement

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

Jena, July 20, 2021

The Management Board of INTERSHOP Communications Aktiengesellschaft



Markus Klahn

Intershop-Shares

Stock Market Data on Intershop Shares

ISIN	DE000A254211
WKN	A25421
Stock market symbol	ISHA
Admission segment	Prime standard/Regulated market
Sector	Software
Membership of Deutsche Börse indices	CDAX, Prime All Share, Technology All Share

Key figures for Intershop shares		6M 2021	2020	6M 2020
Closing price ¹	in EUR	4.38	3.14	3.08
Number of shares outstanding (end of period)	in million shares	14.19	14.19	14.19
Market capitalization	in EUR million	62.17	44.57	43.72
Earnings per share	in EUR	0.05	0.06	0.03
Cashflow per share	in EUR	0.17	0.33	0.15
Carrying amount per share	in EUR	1.22	1.16	1.13
Average trading volume per day ²	Number	17,704	20,024	19,852
Free float	in %	50	49	49

¹ Basis: Xetra

² Basis: all stock exchanges



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This interim report contains forward-looking statements regarding future events or the future financial and operational performance of Intershop, actual events or results may differ materially from the results presented in these forward-looking statements or from the results expected according to these statements, risks and uncertainties that could lead to such differences include Intershop's limited operating history, the limited predictability of revenues and expenses, and potential fluctuations in revenues and operating results, significant dependence on large individual customer orders, customer trends, the level of competition, seasonal fluctuations, risks relating to electronic security, possible state regulation, and the general economic situation.