

init



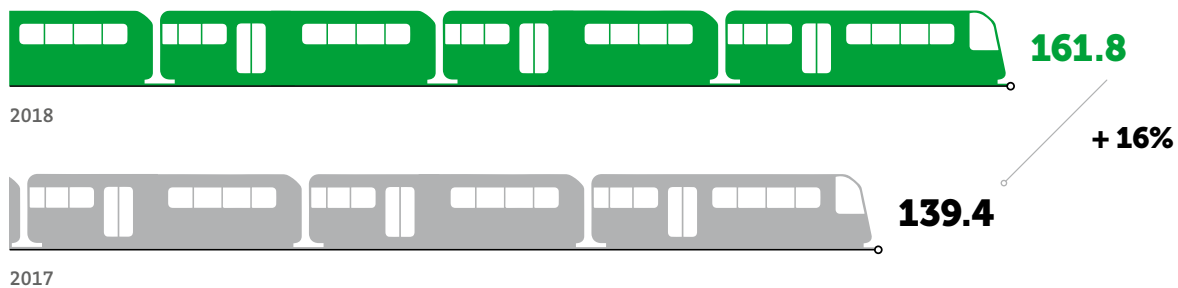
TOGETHER.

Designing. Mobility.

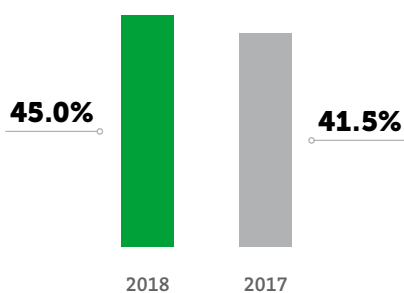
Abridged report 2018

GROUP KEY FIGURES

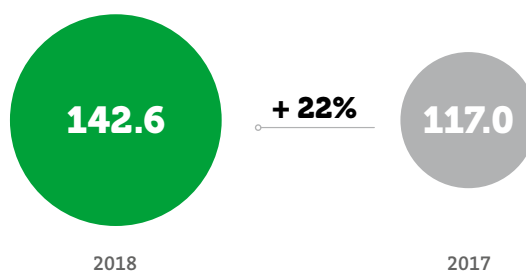
Incoming orders in EUR m



Equity ratio in %



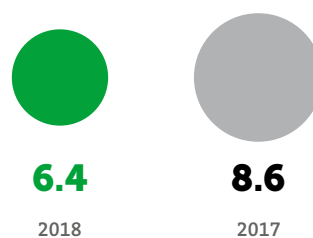
Order volume in EUR m



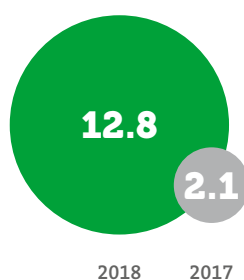
Revenues 2018 in EUR m



EBIT in EUR m



Cash flow from operating activities in EUR m



CONTENT

2 Editorial

4 **TOGETHER.** **Designing. Mobility.**

10 Together with our customers

12 Interview with
Jennifer Bodenseh (CFO)

16 Together. Achieving success.

18 Investor Relations

21 Supervisory board

22 Consolidated balance sheet

24 Consolidated income statement

25 Five-year financial summary

6
Electric becomes
efficient

7
Integrated approach
for e-mobility in public
transport

8
Customers
benefit from use-
ful information

9
MENDEL
research project

9
Clean mobility
of the future



TOGETHER. **Designing. Mobility.**

In over 35 years of business, it has become clear that we have always been especially strong when we successfully networked knowledge, players and expertise in the best possible way. The experience of our many specialists in a variety of fields, the passion of our engineers for new challenges, and the vision of our researchers excel when combined with the know-how of our most important experts: our customers.

This is how future-proof solutions for the public transport of tomorrow are born.

EDITORIAL

Dear readers, Dear shareholders,

Two key terms are at the centre of the discussion about the economic future: digitisation and mobility. Experts, politicians and corporate leaders all agree that these areas, particularly the interlinking of the two, will provide the biggest opportunities. However, they also require the greatest efforts in international competition and increasing investments in innovations. These developments also shaped our business in the previous year.

Mobility is a key factor for the functioning of modern economic and social systems. For example, according to a Eurostat survey, more than half of all city dwellers are dependent on the public transport system. In other areas, public transport systems play an even more existential role. And still, many people continue to be excluded from these transport systems to this day. The declared goal of transport policy across the world is therefore to give all citizens access to it.

Digitisation, as already successfully realised by init internationally in collaboration with transport companies, is playing an increasingly important role in this process. It changes people's mobility behaviour and the demand they place on transport companies. As special service providers, in future they will be able to use apps to put together customised packages for passengers ("Mobility as a Service").

Better, specialised offers not only facilitate increased mobility overall, but also lead to a greater utilisation of public transport services as well. Particular importance will be attached to the simple and easy purchase of tickets by passengers (smart ticketing). This requires an efficient background system that includes tariff management, revenue sharing, simple integration of third-party systems and various identification media as well as the setting up of a multimodal mobility platform.

For this purpose, init offers a wide range of field devices, central platform systems, internet-based applications and apps and, as a technology leader, benefits from the above-average growth in this market segment. Analyses of our customers (recently, for example, by National Express West Midlands in the UK) reveal that this removes the biggest hurdle to using the public transport system. Waiting times decrease, buses become more punctual and faster, passenger numbers and revenues for the transport companies increase significantly.

The interlinking of digitisation and mobility creates a win-win situation for everyone: passengers, transport companies and the environment, as particulate matter and emissions are reduced as well. That is why all countries are investing in the expansion of the local public transport systems. Governments have set goals worldwide for the use of zero emission vehicles and e-mobiles in local public transport and public funds have been provided to support these goals. However, this poses new challenges to transport companies in planning, operation and fleet management. From the basis of information to fundamental decisions to charging management and range prediction



Managing Board of init (f.l.t.r.):
Dr Jürgen Greschner,
Achim Becker,
Dr Gottfried Greschner,
Matthias Kühn,
Jennifer Bodenseh

through to the support of dispatching measures, init is the only provider to offer an integrated solution that covers all processes affected by electromobility.

This interlinking of digitisation and mobility, which init implements in its business model, will in future also define the success of our company. The environment in which this is taking place is changing at an ever increasing pace. In order to remain successful, this requires constant innovation and higher investments by technology leaders like init.

Our company accomplished this feat on its own in the previous financial year with investments of EUR 11.5m – excluding the new developments paid by customers. The additional expenses required affected our earnings, however the investments are already starting to bear fruit.

This is not only reflected in the record revenues, but above all in the development of new orders received. Record incoming orders of over EUR 160m prove that we fulfil the current requirements of our customers and meet the needs of the market.

We are not satisfied with the result achieved in 2018, which was below expectations, due also to the write-downs required on an investment in the US. In 2019, we would like to continue our growth, but above all we would like to achieve a turnaround in earnings and at the same time convert investments into higher profits. To achieve this goal, we have strengthened the company with careful acquisitions in some subareas and are in an excellent position today with our integrated solutions.

Thank you for the trust you have placed in us!

For the Managing Board

Dr Gottfried Greschner, CEO
init innovation in traffic systems SE

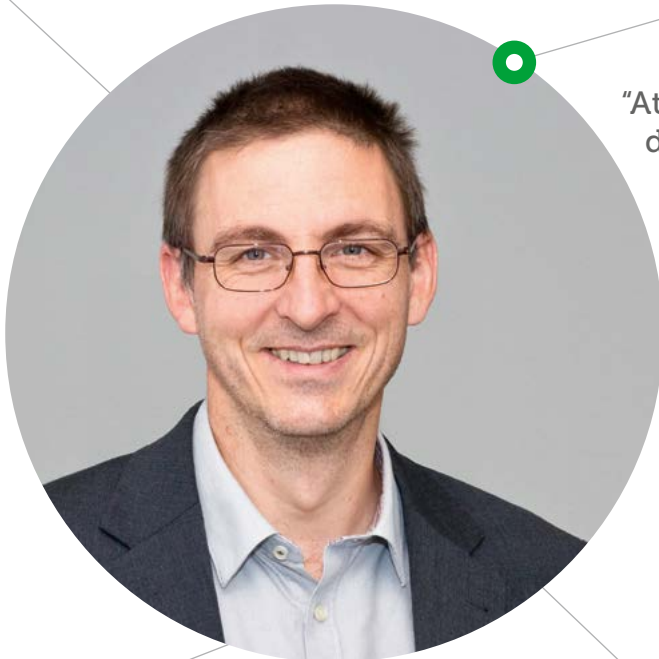
TOGETHER.

Creating great ideas

The networking of knowledge, actors and expertise is the key to efficient and modern public transport.

This is also evident in electromobility – the newest business area at init. It demonstrates how we can successfully exploit the networking of various skills to the benefit of our

customers. We combine the fundamentals of research with a deep understanding of customers' processes. Our interdisciplinary knowledge then enables us to always think a step ahead. This is how we create solutions that drive our customers forward – through the successful introduction of electromobility across public transport, for example.



“At init, research and product development go hand in hand. The MENDEL project with its focus on e-mobility is an excellent example of this.”

Dirk Weißer
Head of Research
init



"We work as an interdisciplinary team to develop the init product range for electromobility and are in close contact with numerous transport companies."

Heiko Bauer
Managing Director
CarMedialab and Head of the
init Electromobility Focus Group



"The switch to electromobility represents a paradigm shift for transport companies. Thanks to our long-standing experience, we are very familiar with the operational processes, and are able to provide our customers with optimal support in this process."

Ulrich Schmidt
Managing Director
initplan, inola and initperdis



Ready for
e-mobility

7

init's integrated e-mobility
solution comprises
seven systems

Electric becomes efficient

Less noise, reduced exhaust emissions, and an improved quality of life are the lofty promises of electromobility – in line with the change in traffic policies initiated by politicians. The age of e-mobility in public transport has long dawned.

This presents a huge task for many transport companies: On the one hand, new parameters such as range, route topography, temperature, charging times and the location of charging stations must be taken into account. On the other hand, operational processes and their supporting information systems must be rethought in this regard and seamlessly integrated.

Only those who understand the circumstances and processes in transport companies inside and out will be able to expertly master new challenges. Based on more than 35 years of experience, init is the only provider that can offer an integrated solution that is specifically tailored to this new form of mobility today. In this way, we make it possible for transport companies to successfully enter into electromobility and operate e-bus fleets in the most efficient manner.

Integrated approach for e-mobility in public transport

Countless factors must be considered when introducing e-mobility successfully into public transport. The integrated telematics solution, **MOBILE**, which provides init customers with all products from a single source, does just that.

Transport companies can utilise init's **eMOBILE-PLAN** planning system, which enables them to run through various scenarios in advance using simulations. This allows them to measure the impact of various parameters on personnel requirements and total costs, and to make sound business decisions.

The range, which is considerably more volatile than that of diesel motors, makes it necessary to continually monitor charging levels from a central unit. For this purpose, init offers a new function in the Intermodal Transport Control System, **MOBILE-ITCS**,

which ensures that the dispatcher can intervene in case of a critically low level. The charging process itself is managed and monitored by the new init **MOBILEcharge** system, which helps to avoid costly load peaks. Our depot management system **MOBILE-DMS** is also prepared for e-mobility and takes account of the charging status, charging capacities and scheduled pull-outs upon arrival at the depot.

The vehicle health management system, **MOBILEvhm**, provides comprehensive vehicle monitoring. It is supplemented by the **MOBILEefficiency** assistance system, which measures energy consumption and contributes to a more economical way of driving. Not least, as a central service for other applications, the **MOBILErange** prediction helps to calculate ranges as reliably as possible using historical operating data.



Customers benefit from useful information

Last year, init dedicated an entire seminar to electromobility in public transport – featuring prominent guests and a wide range of topics.

How can e-buses be successfully integrated into a transport company's fleet and a seamless implementation of electromobility be ensured? This is the question that speakers invited to Karlsruhe from 27 to 28 November 2018 addressed with a wide range of perspectives, providing numerous practical solutions.

From the point of view of a transport company that is already in the midst of the implementation phase, Jean-Marie Gerbaulet from Verkehrsbetriebe Hamburg-Holstein spoke about the new challenges for workshop and

depot concepts. Ulrich Sieg, former Deputy Chairman of the Executive Board of Hamburger Hochbahn explained how new concepts can be put into operation. Martin Schmitz, Technical Director at the Association of German Transport Companies (Verband Deutscher Verkehrsunternehmen), spoke about the high-level challenges facing public transport.

After many other lectures, the focus was finally turned to the solutions of init. The emphasis here was on our integrated solution that combines all of the necessary functionalities for e-bus fleets – from basic information, charge management and range prediction, to ITCS, depot management and vehicle dispatching.



From left: INIT Managing Board member Achim Becker, Technical Director of the Association of German Transport Companies (VDV) Martin Schmitz, Mona Mühlbeck from the Electromobility and Vehicle Innovation Department of the Baden-Württemberg Ministry of Transport, Jean-Marie Gerbaulet from Verkehrsbetriebe Hamburg-Holstein, Ulrich Schmidt, Managing Director of initplan, inola and initperdis, and Heiko Bauer, CEO of CarMedialab and Head of the init Electromobility Focus Group

MENDEL research project

init is involved in multiple research projects. One of these, the MENDEL project, was dedicated to the preparations for electromobility until the end of 2018.

The aim of the project was to identify the fundamental aspects of optimal charging infrastructure and to define the planning and operational requirements for transport operations. The primary objective of the project was to keep investment and operating costs low. Among other things, the project specifically examined how to optimally utilise existing infrastructure and avoid building additional transformer stations. Together with cooperation partners, we also systematically studied how to reconcile the interests of energy suppliers and transport companies.

The diverse findings from the cooperation with numerous partners have already been applied to the development of our product range for the integrated planning and control of electromobility in transport companies.

MENDEL cooperation partners – A strong network

AVT STOYE GmbH, Institute for Traffic System Technology at the German Aerospace Centre (Institut für Verkehrssystemtechnik am Deutschen Zentrum für Luft- und Raumfahrt e.V.), Fraunhofer Institute for Material Flow and Logistics (Fraunhofer Institut für Materialfluss und Logistik), GEVAS software GmbH, INIT GmbH; associated partners: BS|NETZ Braunschweiger Netz GmbH, Braunschweiger Verkehrs-GmbH

Clean mobility of the future

Electromobility in public transport will become a reality.

Electric buses will become a fundamental part of fleets, because based on the state of the art, they are essential for achieving the aspired objectives: less noise, the reduction of emissions and, consequently, an improved quality of life in urban areas. init will actively support transport companies as they deploy electric vehicles on a broad basis by supplying tailored information systems. init is the only provider in the market to offer a comprehensive system solution that integrates all operating processes for the use of electric buses.



TOGETHER

with our customers – for more attractive public transport



Seattle is world-famous for the Space Needle, the first Starbucks and its influential musicians: Now the metropolis and its surroundings will receive a ground-breaking, account-based ticketing system, which will renew the existing One Regional Card for All (ORCA) system.

The next generation of ticketing

For init, this represents the largest contract in the company's history, and for the Seattle metropolitan area in the State of Washington, it represents a leap in the development of public transport: We will supply and operate a next-generation, account-based ticketing system for the region. Sound Transit, Seattle's

regional transport company, along with six other affiliated transport companies have partnered with init for the system.

Not only the transport companies will enjoy many benefits, but also the more than 130 million passengers who travel on the system every year. Additional points of sale will be created, and it will also be possible to virtually store contactless bank and credit cards



in the wallet of NFC-compatible smartphones and to use them to pay for a ticket. Passengers can manage their accounts at any time online, for example to top-up their balance right before starting a journey. Furthermore, the new system works across multiple modes of transport including public transport buses, trains, trams, ferries and water taxis.

The next-generation ORCA system will comprise around 3,900 PROXmobil passenger terminals and more than 250 VENDstation ticket machines. We also plan to open an init development centre so that we can support this and other projects on the Pacific Coast of North America on site in the future.

The central backoffice system of the new ticketing solution is MOBILEvario. It enables a multi-client capable solution that incorporates the seven participating transport companies in one unified system and integrates their various infrastructures.

One system, many capabilities

The open system architecture of MOBILEvario offers another huge advantage: It will allow for further mobility services such as bike sharing, car sharing and other service providers to be fully integrated into the system, thus enabling an expansion of the multi-modal travel chain.

INTERVIEW

with Jennifer Bodenseh, CFO of init

Ms Bodenseh, you were appointed to the Managing Board in the autumn of 2018. How has the transition to your new role been?

Like many of our employees, I have worked for init for many years. As we had planned the change for some time, my appointment did not come as a surprise. In this respect – and thanks to the great support that I have received – I feel well prepared to dedicate myself to the well-being of the company and to facing new challenges.

What areas will you focus on?

My objectives tie in seamlessly with those of my predecessors: for example, we are currently examining how to increase the efficiency and transparency of our internal processes. In particular, in the wake of init's strong growth in recent years, we are

»We are currently examining how to increase the efficiency and transparency of our internal processes.«

considering whether and to what extent they are still suitable for us in their current form or if they need to be optimised. Moreover, in early 2019, we developed a strategy for medium-term financial planning in order to support and secure the strategically planned growth of init.

How would you summarise the trend in financial year 2018 from your own perspective?

We have improved in the growth areas of e-ticketing and e-mobility and are in a good position for future growth through innovations and acquisitions. This has led to a new record figure for incoming orders. Among others, we were able to win the biggest order in our company history in Seattle. However,

INIT Maynooth

The new subsidiary in Maynooth, west of Dublin, is the first software development centre outside of Germany. It was officially opened in November 2018.

init



Jennifer Bodenseh

- ▼ CFO since 1 October 2018
- ▼ Born in 1986

CV

- ▼ Course of study in business administration at the Baden-Württemberg Cooperative State University (DHBW) in Karlsruhe, degree: Bachelor of Arts (BA)
- ▼ Joined init SE as a commercial employee in Accounting (2009)
- ▼ Deputy team leader Accounting (2011-2014)
- ▼ Team leader Accounting (2014-2015)
- ▼ Authorised representative in the Finance and Accounting department (2015-2018)

this does mean we have had to make a record level of investment. And this has burdened our result. So, our primary aim is now to convert the investments into increased profit in the long term.

● **How does init benefit by creating a new subsidiary in Ireland?**

The new Irish location is our response to the tense situation in the German labour market. It affords us access to highly qualified software specialists in an international environment. The small and effective team near Dublin is managed from Karlsruhe and will, in the future, support us with sub-projects as an “extended IT workbench”.

● **init was also able to continue its expansion with the acquisition of Mattersoft. What are your expectations in this regard?**

Mattersoft offers us a number of opportunities: a complementary product for smaller and medium-sized applications in the ITCS area for which our extensive ITCS is too large, improved access to the Northern European market, and additional development resources and expertise. We will gradually leverage this potential.

● **init is also preparing internally for further growth with the process analysis you mentioned earlier. What steps have been taken in this area?**

First, we identified the key processes in our value chain including their strengths and weaknesses. As a second step, we aligned these with the requirements of our corporate strategy and reviewed whether there would be additional processes or if we would shift the focus of our process structure. By involving external consultants who are assisting us in defining target processes, we are utilising third-party experience and benefiting from best-practice solutions in the market. Ultimately, the objective of these activities is to further optimise customer service, complete projects even more efficiently, and improve init's profitability and cashflow situation.

● **Identifying potential for improvement requires a high degree of transparency. How is this ensured within projects?**

In addition to the project manager, whose focus is mainly technical, every project is also assigned a project controller, who supports and oversees the commercial aspects of the contract. In the case of more complex projects, we take a risk-adjusted approach in which we employ a separate commercial project management team. We also provide the responsible parties with a contact on the Managing Board in order to ensure transparency and control risks. Technically, we depict the entire process in an ERP system that is precisely tailored to our project business.

● **Are changes in store there, too?**

Our highly specialised ERP system was expanded specifically for us and has been optimised over the years. As part of our process analysis, we are now reviewing whether the system will continue to be compatible with init's future growth plans. We are currently examining various scenarios to continue to guarantee and increase transparency and efficiency at this new scale.



»We will continue to be actively involved in electromobility research and the networking of mobility concepts.«

● **What other measures has init taken to prepare for future growth?**

We have recently won a number of major orders that will provide a stable foundation for further growth for many years to come. This is also the result of our acquisitions and efforts into the development of ticketing hardware and software. While this investment put pressure on our bottom line in 2018, especially as a result of the additional work required, the long-term effect should be a positive one in terms of growth for init SE. We are also actively involved in research in pioneering areas such as electromobility and the networking of mobility concepts. Last but not least, we have strengthened our human resources and professionalised our HR marketing in order to be better prepared to handle the tense labour market situation, in particular in the IT area. With the help of these measures and a more attractive overall employer profile, we hope to attract employees to init and foster their loyalty over the long term. A specific example of this is the new init Academy, through which we have been consolidating our internal training offering since 2018.

● **What are your personal goals for 2019?**

I would like to advance the projects we initiated and bring them to a successful conclusion, thereby paving the way for further growth. I have also set a goal for myself to further improve financial communication. In addition, I also look forward to making a more significant contribution towards the company's economic success as its CFO than I could in my previous role.

Thank you for the interview!



Founded by young IT experts in Finland in 2007, Mattersoft Oy is now one of the leading providers of web-based offerings with expertise in the IoT (Internet of Things) and SaaS (Software as a Service).

TOGETHER.

Achieving success.

A “Talent in Mobility”

The biennial “Transports Publics” trade show recognises individuals who have made a significant contribution towards the development of public transport and sustainable mobility. Four years after init CEO Dr. Gottfried Greschner was honoured, another one of our own was recognised at the “Talent in Mobility” awards on 14 June 2018: Dirk Weißer, Head of Research at init, was named Best Manager. As such, he represents the innovative strength of the company as a whole.



The regiomove cooperation partners present the project to the public.



Employer with a future

In 2018, init was one of 749 companies to be named by a study commissioned by FOCUS MONEY, a German financial journal, as an especially reliable employer. Three decisive components were analysed over a period of five years: the headcount trend, sales performance, and the earnings trend. init delivered convincing figures in all three areas.

regiomove: networked mobility

init has been involved in the realisation of the regiomove project since the end of 2017. The objective: to boost mobility in the Karlsruhe technology region and link as many transport services as possible on a shared platform. In the future, passengers will be able to conveniently switch their modes of transport at hubs, called ports, and continue their journey by bicycle, bus or train, for example. Our contribution to this flagship project in particular comprises the development of an intermodal booking and billing module as well as a user administration.

Cooperation for autonomous driving

Autonomous driving is a major trend in public transport. It offers an opportunity to efficiently integrate areas that cannot be served cost-efficiently by fixed-route buses into the service network, by using small autonomous vehicles.

In order to support our customers in seamlessly integrating driverless transport services into the public transport network. We have been working with Bestmile since November 2018. They provide the leading mobility service platform for autonomous vehicle fleets. While init brings to the project more than 35 years of industry experience, Bestmile offers a unique cloud-based platform, able to combine autonomous vehicle-agnostic mobility services with scheduled routes to create a multimodal service offering. We intend to work together to create a fully integrated mobility solution.

This lays the essential foundation for the efficient integration of autonomous “first mile / last mile” offerings into transport companies’ core business. In the future, they can individualise their service ideally while staying profitable due to the link to a strong fixed-route mass transit backbone.

bestmile



Dirk Weißer, Head of Research, init, and Luc Texier, Director Business Development, Bestmile, agree to collaborate.

CUTA award

In November 2018, the Canadian Urban Transit Association (CUTA) recognised init with the Safety and Security Award in the category of Climate Adaptation Strategy.

The award-winning solution speaks for itself. The MOBILEefficiency driver assistance

system reduced unsafe and uneconomical driving at the York Region Transit (YRT) transport company by 50% since December 2017. Idle time with the motor running decreased by nearly the same proportion. The key benefits include reduced fuel consumption, increased driving safety and less noise.

INVESTOR RELATIONS

High volatility in times of uncertainty – new impulses in financial communication

The year 2018 marked an end to a long bullish run on the stock exchanges. A combination of numerous uncertainty factors during the year led to an increasingly higher restraint among investors, which eventually affected almost all stock exchanges and resulted in falling prices. Particularly the concerns about a slowdown or even an end to economic growth increased in the second half of the year. They were fuelled by indications of fatigue of the current growth engine China and an emerging trade war between China and the US. Additionally, in Europe there were fears of the consequences of a hard Brexit, i.e., the unregulated exit of the UK from the EU, as well as higher political risks in Italy and Eastern Europe.

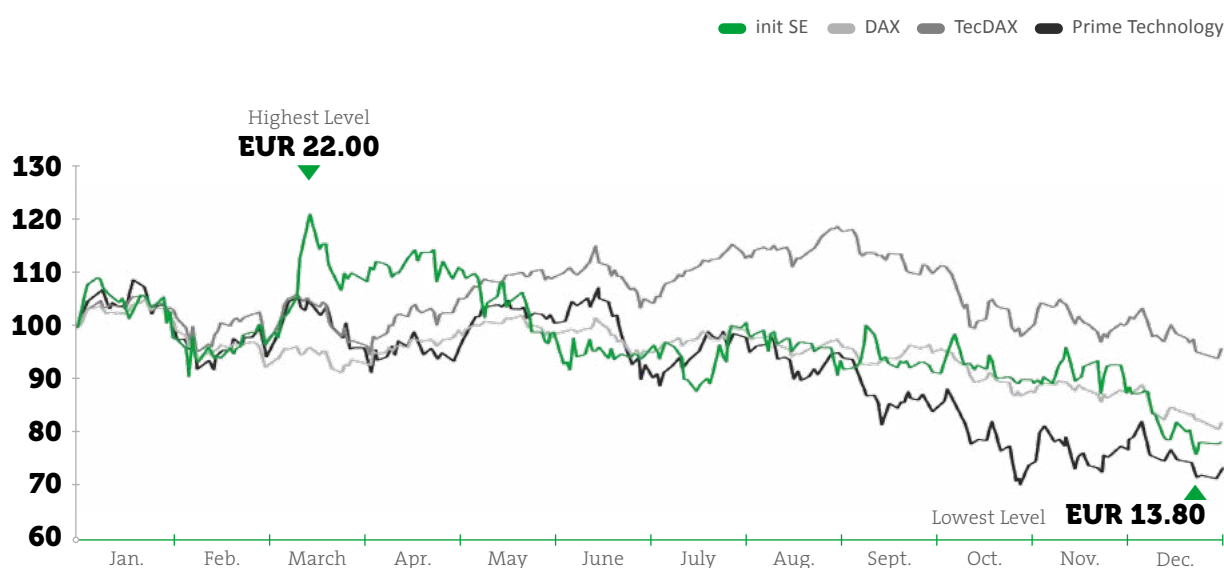
As a result, investors in German shares also saw record losses in the past year. Although the leading German index DAX initially recorded a historical high, the prices of the 30 leading German stock corporations soon began to crumble. The negative trend was accentuated by an increase in the number of profit warnings and guidance adjustments. Interrupted by short phases of recovery, at

minus 18 percent, DAX thus experienced the year with biggest losses since the financial crisis in 2008. The situation was not much better for investors in technology shares. The Prime Technology Performance Index dropped almost 29 percent; TecDAX, the index of leading technology shares, fell 3 percent over the year as a whole.

The performance of the init share (ISIN DE0005759807) was also characterised by high volatility in the reporting period. The initial positive start into the year was strengthened by the publication of provisional figures for 2017 and the planning for 2018. The init share thus reached its annual high of EUR 22 in mid-March. This was followed by a spate of profit taking, still the share price developed better than the general indices until May. Only then it was hit by the general weakness in technology shares, which was even stronger for second liners. The share price stood at EUR 14.20 at the end of the reporting period, 23 percent lower than at the beginning of the year. However, in the meantime the share price has rallied again significantly as a result of intensive

Performance of the init share (02/01–28/12/2018)

(indexed)



financial communication. This is also reflected in the assessment of financial analysts. At this price level, their current recommendation for init SE is a clear buy with a target share price of between EUR 23.50 and EUR 26.

Pareto Securities is an international, independent and diversified financial services provider and supports a global customer base with currently around 500 employees.

AGM

15 May 2019
in Karlsruhe Convention Centre

Change in office of the CFO: Jennifer Bodenseh becomes the first woman to be promoted to the init Managing Board

The change in the role of the CFO which had already been announced in July 2018 was completed according to plan and became effective as of 1 October 2018, with the Supervisory Board's appointment of Jennifer Bodenseh as the first woman to the Managing Board of the company. She succeeded Dr. Hans Heribert Bäsch, who left the company by mutual agreement on the best of terms to pursue new professional challenges.

Expansion of financial communication

The Managing Board of init SE has responded early to the emerging bearish sentiment on the stock markets and intensified its financial communication. In addition to participation in key capital market conferences, there was a special focus on personal discussions with current or potential investors. These activities were developed further after the early announcement of the change in the position of the CFO.

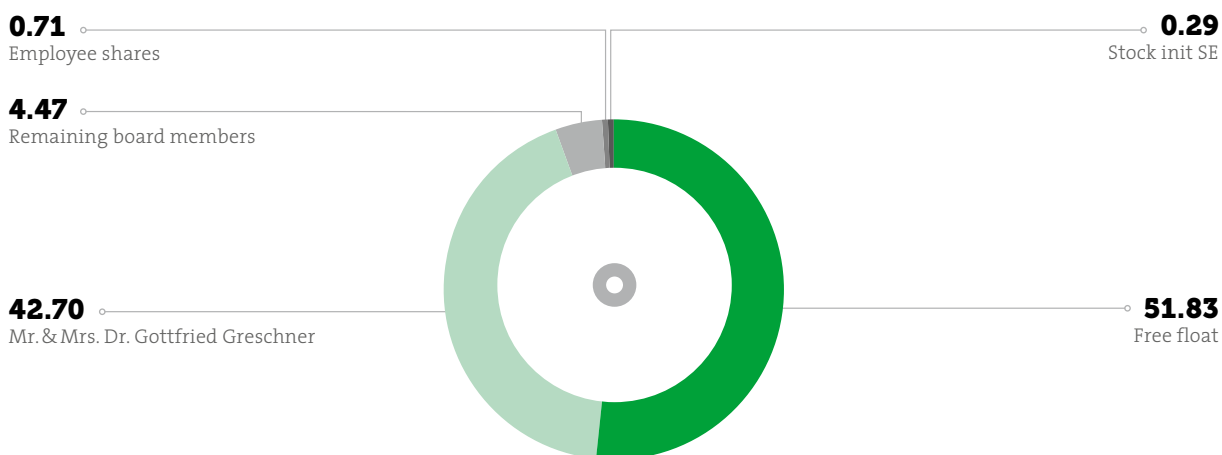
Ms. Bodenseh started her professional career at init in 2009 and already headed Financial Services as authorised signatory with the Accounting, Information Management and Controlling teams. Additionally, she already took over the tasks of the CFO during an illness-related representation. Moreover, she was responsible for the further development and introduction of internal systems as well as the implementation of acquisition projects.

These measures were accompanied by change of one of the designated sponsors of the init share. As of 1 February 2019, in addition to Oddo Seydler Bank AG currently, Pareto Securities AS, Frankfurt am Main, took over this function.

Jennifer Bodenseh thus gained a reputation in the last few years as a financial expert and as member of the inner management. In this way, she already made significant contributions to successful decisions for init.

Shareholder structure as of 31 December 2018

(in %)



Share buyback

init SE acquired a total of 28,578 treasury shares at a weighted average price of EUR 17.50 (excluding incidental expenses) in the period from 18 July 2018 up to and including 20 August 2018. The repurchased shares had a total value of EUR 499,990.02 (excluding incidental expenses).

The acquisition of the no par value shares took place on the basis of an ad-hoc announcement dated 17 July 2018 and was carried out by Commerzbank AG, the bank commissioned by init, via the XETRA exchange. The number of shares repurchased corresponds to a share of 0.28 percent of the capital stock of init SE.

The repurchased shares are to be used for existing and future employee stock ownership plans, incentive programmes for executives as well as acquisition currency and / or sold to third parties for cash. As of reporting date 31 December 2018, init held 29,143 treasury shares, which is 0.29 percent of the capital stock.

0.12

EUR dividend
proposal to the
AGM 2019

Balanced dividends and growth strategy

At the last Annual General Meeting on 16 May 2018, the shareholders of init SE expressed satisfaction at the Managing Board's fair strategy based on a balance between growth financing with own resources and appropriate distribution of company profits. The Managing Board and the Supervisory Board were exonerated with 94.71 and 97.81 per cent of the votes cast, respectively. The proposal of the Managing Board and the Supervisory Board for appropriation of retained earnings was accepted almost unanimously with 99.85 per cent of the votes cast. The shareholders thus received an unchanged dividend of EUR 0.22 per share for the 2017 financial year.

The Managing Board wants to maintain this dividend and growth strategy. As the business profit in the past financial year decreased, but the requirements with regard to forward-looking investments resulting from the fast technological transformation still remain high, the Managing Board deems it necessary to adjust the dividend payment accordingly. Subject to the approval by the Supervisory Board, a reduction in dividends to EUR 0.12 per share will be recommended at the Annual General Meeting on 15 May 2019.

Basic share information

Exchange	Frankfurt Stock Exchange
Index / Segment	Prime Standard, Regulated Market
Class	no-par bearer shares (at EUR 1 each)
ISIN	DE 0005759807
WKN	575980
Code	IXX
Designated sponsors	Oddo Seydler Bank AG Pareto Securities AS (since 01/02/2019) Commerzbank AG (until 31/01/2019)
Capital stock	10,040,000 no-par bearer shares

Capital marked based figures	2018	2017
High (in EUR)	22.00	20.47
Low (in EUR)	13.80	13.51
Start price (in EUR)	18.45	14.88
Closing price (in EUR)	14.20	18.30
Market capitalisation (in EUR m)	142	184
Average daily trading volume (in shares)*	8,436	12,187
Dividend per common share (in EUR)**	0.12**	0.22
Earnings per share (in EUR)	0.24	0.37

* all German stock exchanges

** proposal to the next AGM

(source Bloomberg)

SUPERVISORY BOARD



Hans-Joachim Rühlig

Chairman

About

- ▼ Born 1948
- ▼ Ostfildern, Germany
- ▼ Independent Management Consultant

Profession

- ▼ Supervisory Board Member since 2011
- ▼ Chairman since 2014
- ▼ Independent financial expert within the meaning of § 100 para 5 AktG
- ▼ Former Managing Board Member of Ed. Züblin AG, Stuttgart / Germany



Ulrich Sieg

Deputy Chairman

About

- ▼ Born 1949
- ▼ Jork, Germany
- ▼ Consulting Engineer specialised in Public Transport

Profession

- ▼ Supervisory Board Member since 2014
- ▼ Deputy Chairman since 2016
- ▼ Former Deputy Chief Executive Officer and Managing Board Member of Hamburger Hochbahn AG / Germany



Hans Rat

Member

About

- ▼ Born 1945
- ▼ Schoonhoven, Netherlands
- ▼ Honorary Secretary General of UITP
- ▼ Managing Director of Beaux Jardins B.V., Schoonhoven, Netherlands

Profession

- ▼ Supervisory Board Member since 2012
- ▼ Former Secretary General of the International Association of Public Transport (UITP)

CONSOLIDATED BALANCE SHEET

as of 31 December 2018 (IFRS)

Assets

EUR 'ooo	31/12/2018	31/12/2017
Current assets		
Cash and cash equivalents	20,620	19,763
Marketable securities and bonds	28	27
Trade accounts receivable	26,120	34,472
Contract assets	26,215	27,417
Receivables from related parties	95	168
Inventories	27,909	25,953
Income tax receivable	2,212	1,677
Other current assets	3,153	3,137
Current assets, total	106,352	112,614
Non-current assets		
Property, plant and equipment	35,643	35,817
Investment property	1,898	1,918
Goodwill	9,035	8,987
Other intangible assets	9,772	9,681
Interests in associated companies	749	2,783
Deferred tax assets	2,242	2,410
Other non-current assets	2,770	2,595
Non-current assets, total	62,109	64,191
Assets, total	168,461	176,805

Liabilities and shareholders' equity

EUR 'ooo	31/12/2018	31/12/2017
Current liabilities		
Bank loans	18,390	24,599
Trade accounts payable	9,417	11,030
Contract liabilities	6,188	7,115
Advance payments received	1,430	1,431
Income tax payable	1,056	958
Provisions	9,042	9,104
Other current liabilities	12,184	14,127
Current liabilities, total	57,717	68,364
Non-current liabilities		
Bank loans	17,442	17,559
Deferred tax liabilities	2,579	2,277
Pensions accrued and similar obligations	9,505	9,390
Provisions	1,566	2,107
Other non-current liabilities	3,890	3,799
Non-current liabilities, total	34,982	35,132
Shareholders' equity		
Attributable to equity holders of the parent company		
Subscribed capital	10,040	10,040
Additional paid-in capital	5,262	5,397
Treasury stock	-510	-926
Surplus reserves and consolidated unappropriated profit	60,479	59,869
Other reserves	326	-1,237
	75,597	73,143
Non-controlling interests	165	166
Shareholders' equity, total	75,762	73,309
Liabilities and shareholders' equity, total	168,461	176,805

CONSOLIDATED INCOME STATEMENT

for the financial year 2018 (IFRS)

EUR 'ooo	01/01/ to 31/12/2018	01/01 to 31/12/2017
Revenues	135,711	130,554
Cost of sales	-89,732	-87,892
Gross profit	45,979	42,662
Sales and marketing expenses	-16,680	-16,069
General administrative expenses	-10,734	-10,650
Research and development expenses	-11,491	-6,893
Other operating income	2,603	2,003
Other operating expenses	-295	-212
Foreign currency gains and losses	-868	-166
Expenses and income from associated companies	-2,142	-2,112
Earnings before interest and taxes (EBIT)	6,372	8,563
Interest income	64	168
Interest expenses	-943	-870
Earnings before taxes (EBT)	5,493	7,861
Income taxes	-3,054	-4,217
Net profit	2,439	3,644
thereof attributable to equity holders of parent company	2,440	3,660
thereof non-controlling interests	-1	-16
Earnings and diluted earnings per share in EUR	0.24	0.37

FIVE-YEAR FINANCIAL SUMMARY

of the init group (IFRS)

EUR 'ooo	2018	2017	2016	2015	2014
Balance Sheet (31/12)					
Balance sheet total	168,461	176,805	185,132	145,082	128,774
Shareholders' equity	75,762	73,309	76,401	71,180	67,770
Subscribed capital	10,040	10,040	10,040	10,040	10,040
Equity ration (in %)	45.0	41.5	41.3	49.1	52.6
Return on equity (in %)	8.4	11.7	15.3	15.1	27.6
Non-current assets	62,109	64,191	65,576	43,098	34,537
Current assets	106,352	112,614	119,556	101,984	94,237
Income Statement (01/01–31/12)					
Revenues	135,711	130,554	108,635	105,293	102,993
Gross profit	45,979	42,662	31,294	31,839	36,581
EBIT	6,372	8,563	11,665	10,756	18,685
EBITDA	10,942	12,763	15,722	14,117	21,690
Consolidated net profit	2,439	3,644	8,609	7,577	12,067
Earnings per share (in EUR)	0.24	0.37	0.86	0.75	1.20
Dividend (in EUR)	0.12*	0.22	0.22	0.20	0.80
Cash Flow					
Cash flow from operating activities	12,809	2,051	13,182	11,478	502
Share					
Issue price (in EUR)	5.10	5.10	5.10	5.10	5.10
Peak share price (in EUR)	22.00	20.47	16.80	27.99	25.80
Bottom share price (in EUR)	13.80	13.51	12.60	14.08	18.50

* Dividend will be proposed at the 2019 Annual General Meeting

IMPRINT

Contact

init innovation in traffic systems SE
Käppelestraße 4-10, D-76131 Karlsruhe
Tel. +49.721.6100.0, Fax +49.721.6100.399
info@initse.com, www.initse.com

Concept and Design

IR-ONE, Hamburg
www.ir-one.de

Print

Stober GmbH
Druckerei und Verlag
Eggenstein

Editing and Text

init innovation in traffic systems SE,
Karlsruhe
www.initse.com

IR-ONE, Hamburg
www.ir-one.de

Sebastian Brunner, München
sebastian.brunner@brunner-communications.de

Picture credits

Andrea Fabry, ARTIS / Uli Deck, init ,
iStock, Kerstin Groh, MAN Truck & Bus AG,
Sound Transit, Uwe Sülflohn,
Verkehrsgesellschaft Hamburg-Holstein (VHH)