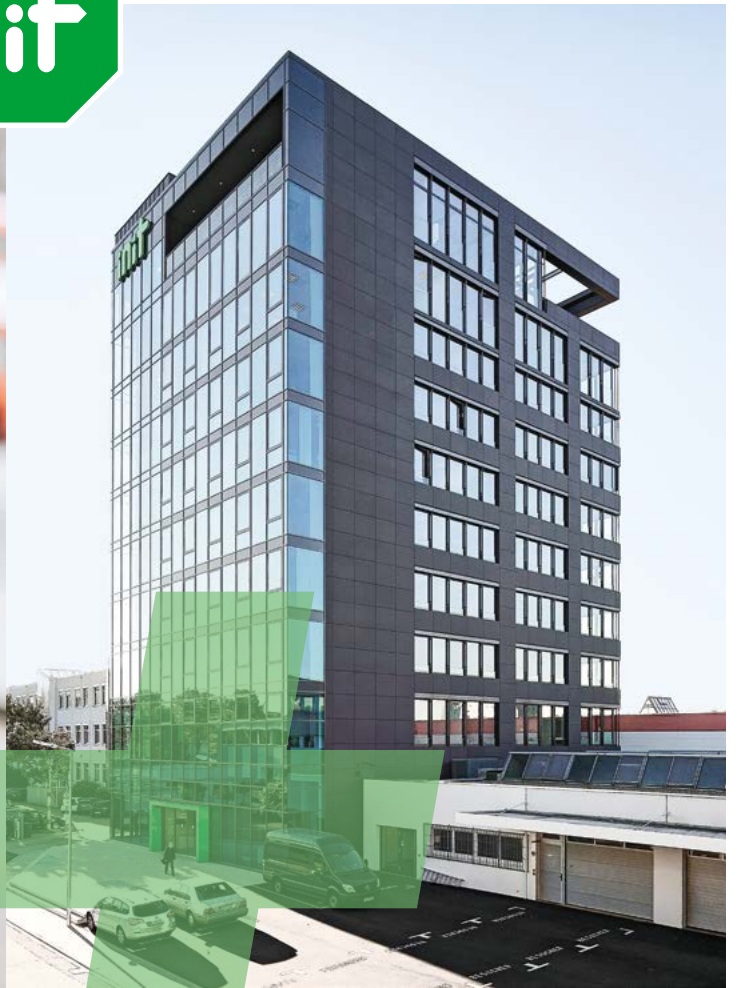
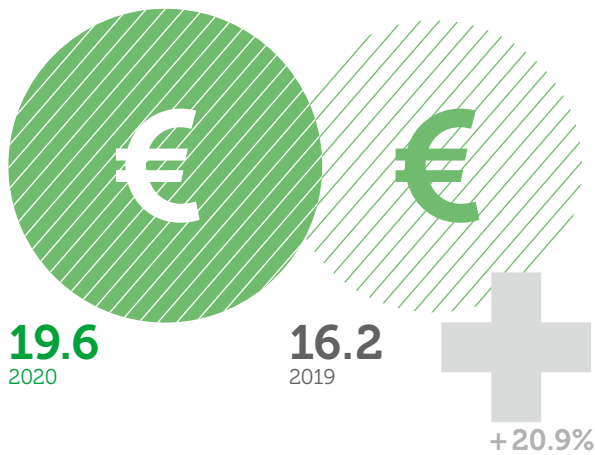


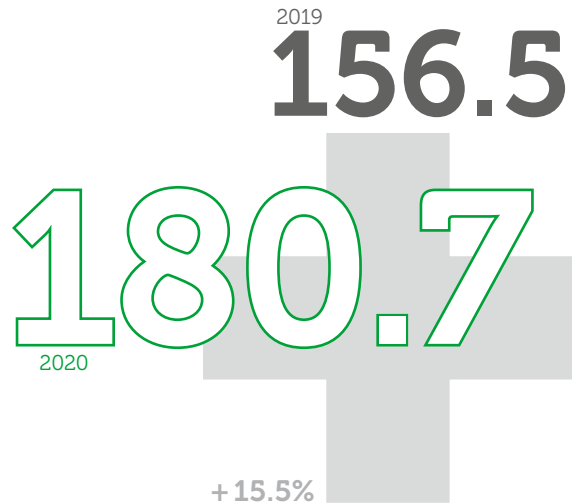
The logo for 'init' is displayed in white lowercase letters on a green, downward-pointing chevron background.

**#INITtogether**  
Management Summary 2020

EBIT in EUR m

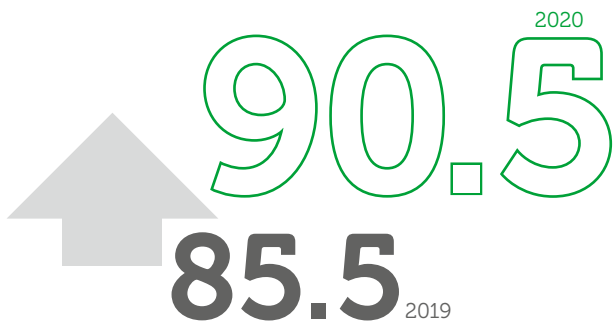


Revenues in EUR m

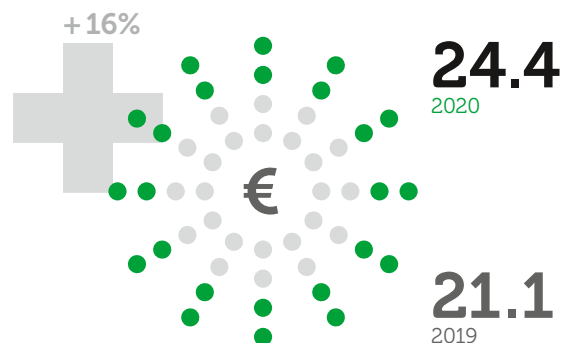


# GROUP KEY FIGURES

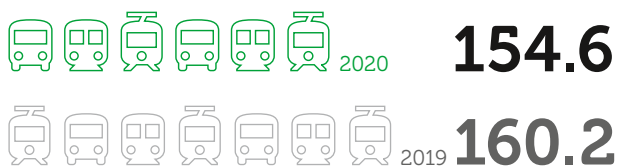
Equity in EUR m



Operative cash flow in EUR m



Incoming orders in EUR m



Order backlog in EUR m



# #INITtogether

We are stronger together. Even during the extraordinary circumstances of 2020, INIT remained a reliable technology partner and was always on hand to support its customers. We rapidly developed solutions to help transport companies face the particular challenges of the COVID-19 pandemic while remaining focused on one thing – the mobility of the future.

In order to achieve this, we are able to build on the innovative power of our strong family of companies. The cooperation between all our subsidiaries not only creates solutions that benefit our customers, it also forms the basis for our unique, integrated product range which encompasses all of a transport company's operational tasks. This is part of our **#INITtogether** ethos.



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# TO OUR SHAREHOLDERS

Dear shareholders,

In view of the coronavirus crisis and all its negative implications, a look back at 2020 is naturally rather critical. All of us, as part of the INIT family, have been severely affected by the restrictions. A few of us were even infected with coronavirus, although

luckily only with mild symptoms in most cases. Families with children in particular, were hit hard by the pandemic, as nurseries and schools were closed, which in turn meant that working from home became extremely challenging. Nevertheless, compared with other companies, we were able to continue working efficiently. As CEO, I am very happy to see that our employees have demonstrated exemplary commitment and great determination. We worked as a team and mastered many new

challenges, and this spirit is also reflected in the motto of this year's management summary #INITtogether. I would like to thank everyone for this great achievement.

Therefore, despite all the general adversities that companies have had to face around the world, we can present a successful result for 2020. The INIT Group comfortably accomplished its growth targets for revenues and earnings. Revenues increased by over 15 per cent to around EUR 181m, a new record. Operating earnings (EBIT), which is one of our key performance indicators, increased by around 20 per cent to significantly above

EUR 19m, thus reaching the upper end of our target corridor. Earnings per share, the key parameter for the distribution to our shareholders, improved from EUR 1.13 to EUR 1.50 and the init share gained a total of 46 per cent in value in 2020. Indeed, the share price continued to rise in 2021, reaching a historical high of EUR 41.20.

We are extremely satisfied with these results, especially considering that our customers, the public transport companies, were hit hard by the lockdowns, sustaining a massive drop in passenger numbers.

INIT's digital innovations support public transport companies in numerous ways. This applies to smart ticketing solutions for which we are the market leader in Germany and the US with high growth rates, as well as for MOBILEguide, a passenger guidance system which is both an online solution as well as being used on railway platforms, and MOBILE-ITCS nextGen, a next generation innovative operations control system which uses artificial intelligence to increase efficiency in transport operations and enhance the travel experience.

**"INIT's digital innovations effectively support transport companies, even during the Corona crisis."**

— Dr. Gottfried Greschner

We also see major market opportunities for our modular, web-based and scalable control system, an ITCSmart (Intermodal Transport Control System), which is tailored in particular to the needs of private fleet operators. What makes it special is that whilst maintaining sophisticated functionality, it offers public transport companies the advantage of lower investment costs for a standard version. The customer has the option to rent or lease the solution over a longer period which allows us to reach new customer groups and secure a predictable source of revenue in the long term.

We also expect new opportunities in the rail sector for our MOBILE-ITCSrail solution that has been designed for rail systems. During 2020, we worked intensively on this development. Our first customer, Albtalverkehrsgesellschaft (AVG), will put this system into operation this year. AVG operates the Karlsruhe tram-train system with a rail network of over 500 km.

2021 will continue to be a year of transition due to the repercussions of the coronavirus crisis. However, growth trends for INIT have in fact improved, because the coronavirus crisis has given digitalisation an extra boost. Examples include passenger counting solutions which allow passengers to book vehicles that have sufficient available seating, easing passenger flows at stations and accelerating the introduction of contactless ticketing systems. As governments worldwide continue to push for the green transformation of the transport sector, the demand for digital solutions increases, for example in the

development of electromobility and connecting mobility services in a single platform (Mobility as a Service, MaaS). INIT developed the booking platform for the innovative mobility platform regiomove, in Karlsruhe.

Promising tenders and contracts can be expected in all these fields from which we in turn hope to generate further growth. Based on a cautious business plan, which also takes into account coronavirus related setbacks, we are forecasting stable growth for the current year. However, from 2022 onwards it should be possible to again reach our continuous annual growth target of 15 per cent on average.

We are continuing to work despite the effects of coronavirus to further strengthen the trust that you, our shareholders and the stock market, have placed in our sustainable growth prospects.

Sincerely yours,



Dr. Gottfried Greschner, CEO



init SE's Managing Board (f.l.t.r.): Dr. Jürgen Greschner, Jennifer Bodenseh, Dr. Gottfried Greschner, Matthias Kühn

# MANAGING BOARD



## Dr.-Ing. Gottfried Greschner

Chief Executive Officer  
(CEO)

### Vita

- since 1983 Managing Director at INIT GmbH
- since 2001 Chief Executive Officer (CEO)

### Task area

- Business Development
- Strategy
- Production
- Purchasing



## Dipl.-Kfm. Dr. Jürgen Greschner

Chief Sales Officer  
(CSO) and Deputy  
Executive Officer

### Vita

- since 1996 at INIT GmbH
- since 2004 Managing Director at INIT GmbH
- since 2004 Chief Sales Officer (CSO)
- since 2015 Deputy Chief Executive Officer

### Task area

- Sales and Marketing
- Human Resources
- Legal Management
- Research and Technology
- Projects and System Design
- Support and Operations



## B.A. Jennifer Bodenseh

Chief Financial Officer  
(CFO)

### Vita

- since 2009 at init SE
- from 2015 to Sept. 2018 authorised signatory
- since Oct. 2018 Chief Financial Officer (CFO)

### Task area

- Financial Services
- Controlling and Logistics
- Risk Management
- M&A
- Investor Relations
- Compliance
- Data Protection
- Quality Management



## Dipl.-Ing. (FH) Matthias Kühn

Chief Operating Officer  
(COO)

### Vita

- since 2001 at INIT GmbH
- since 2015 Managing Director at INIT GmbH
- since 2016 Chief Operating Officer / Telematics Devices and Ticketing (COO)
- since April 2019 Chief Operating Officer / Telematics, Ticketing and IT (COO)

### Task area

- Back-Office Ticketing
- Telematic Devices
- Maintenance and Installation
- Real-Time Systems
- Back-Office Operations
- Mobility as a Service
- IT

# #INITtogether: DESIGNING MOBILITY TOGETHER

Interview with Deputy Chief Executive  
Officer Dr. Jürgen Greschner

**Dr. Greschner, time and again throughout the company's history, INIT has successfully adapted to meet new demands. Now, the public transport sector has been hit particularly hard by the COVID-19 pandemic. How is INIT supporting its customers in these challenging times?**

We rapidly developed solutions that allowed us to support transport companies during the coronavirus crisis. That is what this year's motto #INITtogether represents, amongst other things. These new solutions are helping to win back passengers' trust.

Our contactless payment systems and our automatic passenger counting products in particular can play a role in this regard. The accuracy of our counting sensors sets an unparalleled global standard. The information they generate on vehicle occupancy rates helps dispatchers identify vehicles which are at capacity and take corresponding countermeasures. However, transport companies can also share vehicle occupancy rates with their passengers – e.g. on apps – enabling them to switch to less crowded means of transport.

MOBILEmodi, a mobile dispatching solution, is also well suited to the challenges posed by the current situation. It allows a transport company's dispatchers to use basic functions even from

outside the control center. The bottom line is that all of these solutions make public transport more attractive, efficient and comfortable – even after the pandemic has ended.

**Sustainability and climate friendliness have always been strong arguments in favor of public transport. Could the pandemic change this?**

The COVID-19 pandemic will only temporarily disrupt the trend towards sustainable mobility. However, to ensure that public transport will continue to play a crucial role in the future,



**“Even amid the pandemic, we continue to advise and assist our customers with tailored solutions.”**

— Dr. Jürgen Greschner

it must adapt to people’s changing needs. Mobility platforms play a key role in this context. They will ensure that passengers are able to optimally link various modes of transport in a mobility chain and pay for them at the end. We are helping to drive this trend – for example, as a supplier of the necessary broker architecture.

**INIT has systematically expanded its portfolio of solutions in the last few years, most recently with DResearch in the area of video surveillance systems. In which areas do you see further opportunities for INIT?**

All aspects of ticketing, for example ID-based ticketing, will continue to be an area of strategic focus for INIT. This is because this technology makes it particularly easy to incorporate alternative payment media and other transport service providers. In addition, we are noticing that transport companies – similar to the trend in other industries – are focusing on their core competences and outsourcing the operation of technical systems. As a result, we are expanding our software and hardware expertise with new, innovative services. This trend is opening up further fields of activity and opportunities for our transformation from a technology supplier to a technology service provider.

What’s more, we are participating in multiple research projects – from autonomous driving to artificial intelligence to digital identities – and are at the cutting edge of innovation in our industry.

Our innovative capacity remains our most important core competence and is now expanding to include innovative services.

We will continue to pursue steady organic growth. Furthermore, as we have done in the past, we will make very targeted acquisitions in areas where we can enhance our product range without a great deal of overlap. In doing so, we will continue to emphasise the technical integration of new solutions. Together with our subsidiaries, we already cover all the operational tasks that operators have to undertake. #INITtogether represents this strategy as well.

**What else does the new motto #INITtogether stand for?**

It stands for team spirit, camaraderie, flat hierarchies and an agile corporate culture that allows employees and subsidiaries the freedom to work creatively and responsibly. The aim of maintaining a collective cultural DNA within the growing INIT Group undoubtedly presents a challenge. But I think we’re on the right track, as cooperation between our international workforce has always been characterised by mutual respect. Furthermore, we make it our mission to inspire the Group’s new employees with our unique corporate culture. We take very targeted steps to achieve this goal, for example in the form of intercultural training.

#INITtogether also means that we continue to evolve, along with our customers. We have close ties to our customers and engage in a regular dialogue, for example at user group meetings or in working groups. This close collaboration has often resulted in the development of remarkable products and system features. The COVID-19 pandemic has demonstrated how beneficial this approach is for both sides and we continue to do everything we can to maintain close contact with our customers.



**Earlier you mentioned the crucial role of public transport in sustainable mobility. One approach here is electromobility, which is becoming increasingly important in public transport. What makes INIT an ideal partner for transport companies in this field?**

We are able to provide our customers with optimal support thanks to our integrated solution in the area of electromobility. From planning and optimisation through to dispatching, operations control and statistical analyses, we have tailored our entire product range to the specific requirements of electric buses. However, we have also added new products: for example MOBILerange, which has been developed by our subsidiary Mattersoft and provides real-time range predictions for e-vehicles. Our subsidiary CarMedialab contributes to the overall solution with MOBILEcharge to optimise a bus fleet's charging process at the depot. The public transport operator Keolis in Norway recently opted for our e-mobility products. In addition, they chose a fleet monitoring system from Mattersoft. As a result, Bergen's bus fleet, one of northern Europe's largest, is being managed with an integrated solution from the INIT Group – a cloud-based SaaS (software as a service) solution. This eliminates the need for huge investment and the customer only pays for the use of the system.

**What could public transport look like in 2030? And what role will INIT play?**

A lot will probably have changed by then: diesel-powered buses will have been replaced by vehicles with zero-emission drives and autonomous driving will have come to the fore in public transport. In addition, buses and trains will transport goods, thus helping to reduce traffic congestion in cities.

More and more people will choose between a variety of mobility services based on their needs, for example bike and car sharing or even flying taxis, instead of driving their own car. Mobility platforms allow for easy access to all of these mobility services. Today, the smartphone app regiomove is already consolidating and networking regional mobility offers here in Karlsruhe. In the future, route suggestions will factor in current traffic conditions and the occupancy rates of public transport vehicles. Surrounding areas will also enjoy improved services: Small buses will be able to bring passengers to their destinations at almost any time of the day or night based on the registered travel requests, or operate as feeder services to ensure connections to regular service routes.

**“Today, INIT is at the cutting edge of innovation in the industry.”**

— Dr. Jürgen Greschner

Mobility hubs, the “stations of the future,” will soon allow passengers to conveniently switch their means of transport. They offer additional features such as charging stations for e-vehicles and collection points for ordered items to avoid passengers traveling into the city. In other words, mobility will become smarter and more networked. As a technology partner for our customers, we want to play a major role in shaping this transformation.

**Thank you for the interview!**





The Future of Mobility: INIT is developing the mobility concepts of tomorrow.



# AN OVERALL RESOUNDING SUCCESS

We help our customers make public transport more efficient and attractive. Together with our subsidiaries, as the worldwide INIT Group we are able to support our customers in all their operational tasks. This is one aspect of #INITtogether.

**Our services include hardware and software solutions for planning and dispatching, operations control and passenger information, ticketing and fare management, as well as analysing and optimising.** Over the years, we have continuously expanded this portfolio by systematically enhancing our product portfolio and investing in highly specialised companies. For example, with the acquisition of DResearch Fahrzeugelektronik, we recently extended our portfolio to include video recording and transmission. Consequently, we have an extensive toolkit for responding to current and future public transport challenges. Our overriding aim is to enable our customers to benefit from the advantages of an integrated solution and the resulting synergies.

On the following pages, you will discover how some of our subsidiaries contribute to INIT's integrated overall solution. Starting on page 16, we also present some of the innovative solutions we have developed to help our customers overcome the challenges of the COVID-19 pandemic and offer the best possible protection to passengers and staff.

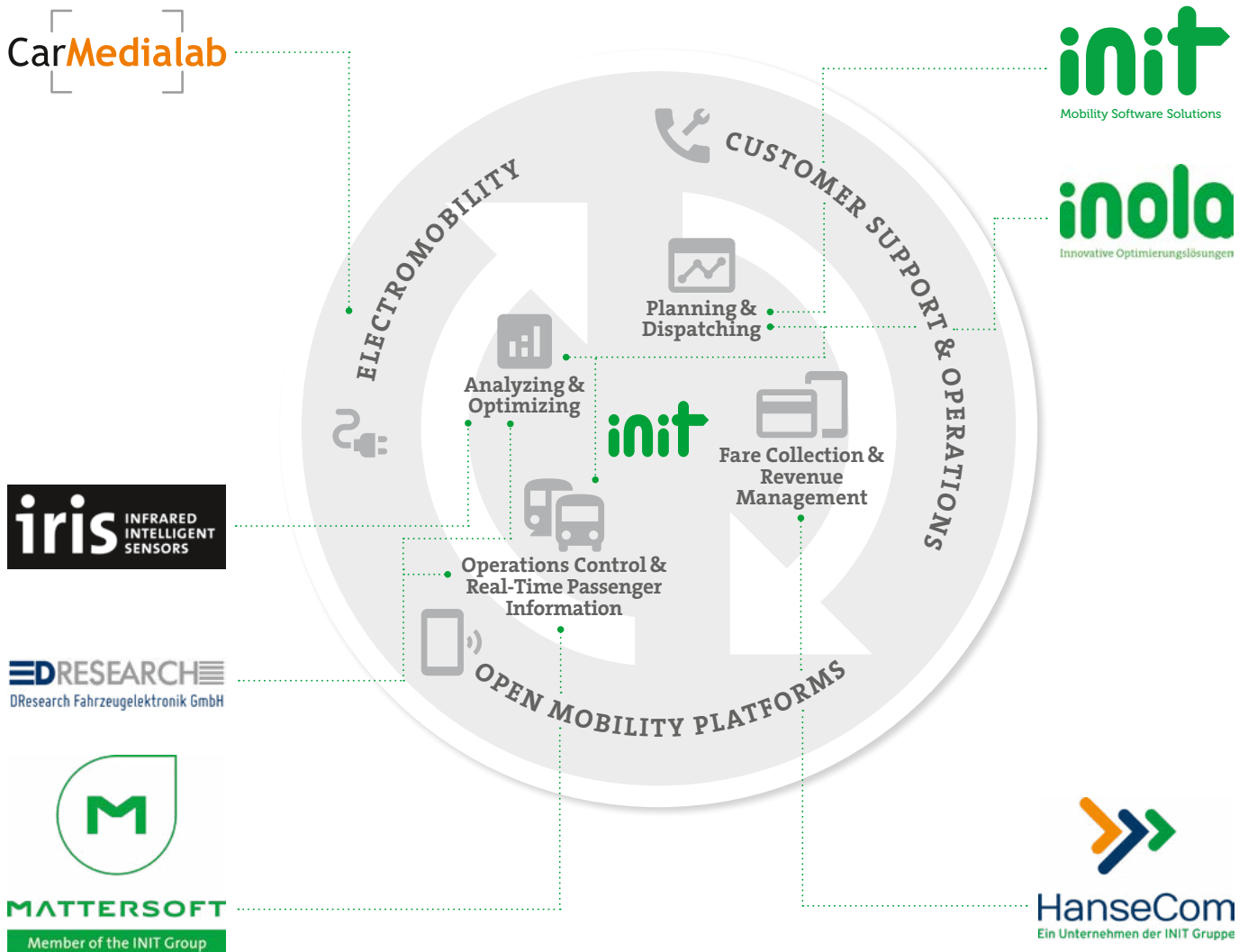
## STRONG ROOTS IN KARLSRUHE

INIT was founded as a German limited liability company – a GmbH – in 1983. Even after the orientation towards international markets and the establishment of the holding company init SE in 2017, **INIT GmbH** remains a core company within our group. It provides solutions that are indispensable for the advanced digitalisation and efficient management of the public transport sector today. These include, for example, operations control and fare management solutions as well as electromobility products. In short, as a full service provider, INIT GmbH develops, produces, installs and maintains integrated hardware and software solutions for transport companies. ▶

## THE INIT SYSTEM PHILOSOPHY

The whole is greater than the sum of its parts: This holds true for the INIT Group's product portfolio. Together with our subsidiaries, we cover the full range of operational tasks that transport companies need to manage. This integrated approach delivers real added value.

INIT customers benefit from coordinated processes, a continuous data flow and synergy effects. The INIT loop below shows how our subsidiaries contribute to the overall solution. In addition, our systems are open, modular and can be flexibly extended.



## PT SECTOR REQUIREMENTS ALL UNDER ONE ROOF

Being a one-stop provider, **INIT GmbH** is not only the Group's main sales organisation, but also its development centre, producing technological innovations from which our customers all over the world benefit.

**initplan GmbH**, which is also based in Karlsruhe, shares its roots with INIT GmbH. Since 2008, it has successfully helped transport companies all over the world to manage complex timetabling, block and duty scheduling tasks. initplan recently expanded its product portfolio to include passenger guidance and electromobility solutions – and the range is being extended further through the merger which has established **INIT Mobility Software Solutions**. The portfolio now also includes the services that were formerly provided by our subsidiary **initperdis**: driver dispatch and the depot management system MOBILE-DMS or eMOBILE-DMS for e-vehicle operations.

## EXPERTISE BROUGHT TOGETHER WITHIN A STRONG GROUP

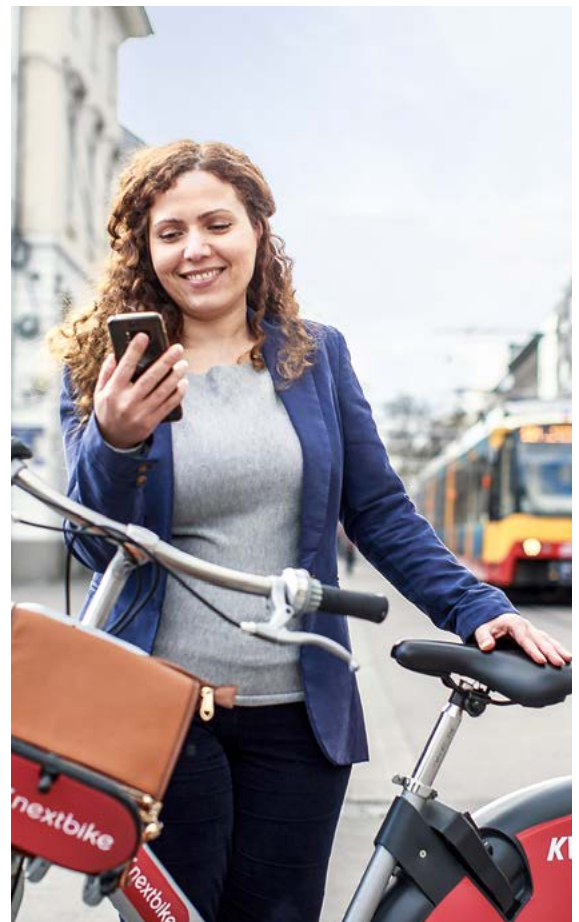
The recently completed project with our customer Keolis Norway clearly demonstrates that electromobility is rapidly gaining ground in the public transport arena. It also shows how multiple INIT Group systems are able to interact with each other to deliver trendsetting projects (see p. 20).

For several years, we have been pooling our advanced expertise in this area with an electromobility focus group, in which **CarMedialab GmbH** also participates. With solutions such as innovative charge management, range prediction and a system for monitoring a vehicle's condition, CarMedialab supplies components that are essential for the efficient operation of electric public transport vehicles and is therefore an ideal complement to the INIT Group's other solutions.

Our Finnish subsidiary **Mattersoft Ltd.** provides telematic systems for small to medium sized public transport companies. It supplies our customers with centralised traffic signal priority, real-time passenger information and basic fleet management systems, for example. These are mainly offered in the form of software as a service (SaaS) which makes implementation possible with little effort and without significant initial expense. ▶



INIT has over 35 years of experience and an in-depth understanding of the challenges posed to public transport.





The requirements of transport companies and their passengers are always our main priority.



## TECHNOLOGIES FOR THE MOBILITY OF TOMORROW

Advancing digitalisation is one of the defining themes of virtually every area of public transport. Within our Group, highly specialised companies such as **HanseCom Public Transport Ticketing Solutions GmbH** are the driving force in this field. The outstanding solutions developed by HanseCom's visionaries include the HandyTicket Deutschland app: It bundles timetables and fares, allowing passengers to purchase tickets from different transport companies using the app. This represents a major milestone, making it much easier for passengers from outside the region to use public transport.

INIT's headquarters in Karlsruhe are the focal point of all our activities.



## HANDYTICKET DEUTSCHLAND HAS

# 60

**MOBILITY PARTNERS**

**inola GmbH** also operates in a highly innovative area: This subsidiary, which is based in Pasching near Linz (Austria), develops and sells the optimisation technology Advanced Optimisation Core (AOC). This is an evolutionary, self-learning software which optimises the results of all kinds of planning tasks and is used in various INIT Group systems for the benefit of our customers. The most recent product from this subsidiary is the inola Machine Learning Core, which provides users with predictions based on historical data and real-time information. It is already being implemented in a pioneer project in San Francisco where machine learning technology will significantly improve the accuracy of departure time predictions.

Further examples of excellent cooperation within the INIT group include our subsidiaries iris and DResearch. **iris GmbH** develops and produces sensors for automatic passenger counting, which can be combined with INIT's MOBILE-APC passenger counting system or the MOBILEguide passenger guidance system, for example. This gives our customers the advantage of being able to rely on precise passenger counts and optimally manage occupancy rates. Among other things, the data obtained are essential for performance based revenue distribution, e.g. in transportation networks.

In the growth area of video security, the INIT Group has added a further future-ready component to its integrated solution through the acquisition of **DResearch Fahrzeugelektronik**. The use of video recording and transmission on buses and trains not only improves passenger safety, it also enhances the automatic passenger counting carried out by iris and INIT with video image analysis. Consequently, we are now also able to offer our customers forward-looking multifunctional solutions in this area. ■

# SOLUTIONS FOR CHALLENGING TIMES

Even amid the COVID-19 pandemic, as a trusted technology partner, we continue to advise and assist our customers. We responded rapidly to the unfolding situation and offer a variety of solutions to overcome the specific challenges which occur in everyday operations.



The COVID-19 pandemic has presented multiple unforeseen problems for transport companies: Fare revenues have decreased dramatically, vehicle occupancy levels are very low, and keeping a safe distance is essential. Public transport companies must protect the health of their employees and passengers alike. Nevertheless, they still have to

run their public transport networks as efficiently as possible, while trying to win back passengers lost during the lockdown phases. It is during such challenging times when essential IT solutions can provide much needed support. For us, this is also part of our **#INITtogether** ethos.



## Targeted information to avoid passenger crowds

Avoiding crowding on buses and trains is absolutely essential. Since 2020, INIT can deliver appropriate solutions to determine and manage occupancy levels on buses and trains in real time. During the pandemic, thresholds can be adjusted in order to reflect the occupancy rates that the public transport provider wishes to accept, depending on the specific circumstances.

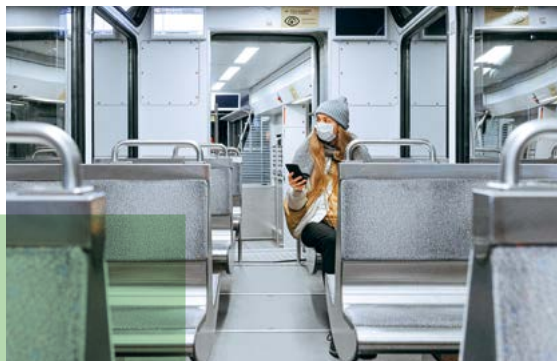
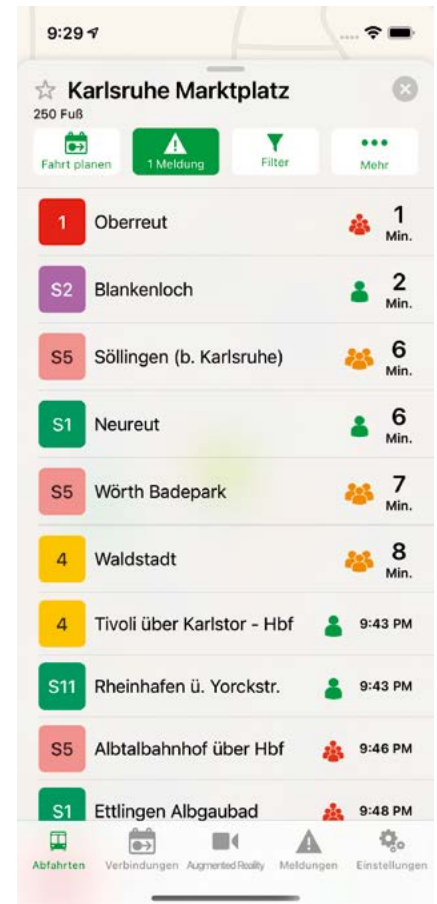
With MOBILEguide, transport companies can display reliable passenger information on occupancy rates. As a consequence, passengers can switch to a less busy service or even to individual mobility services such as rental bikes if the public transport system provides an intermodal mobility platform.

Displaying expected occupancy rates in the passenger information can therefore impact actual occupancy rates.

In addition, dispatchers can intervene to avoid overcrowded vehicles using the MOBILE-ITCS (Intermodal Transport Control System) and, for example, deploy supplementary vehicles or display “drop off only” messages.

Transport companies that wish to provide passengers with information on occupancy rates are supported by INIT’s occupancy management solution, MOBILEguide. In response to the pandemic, we developed a multi-level concept.

MOBILEguide enables complex occupancy forecasts based on historical and real-time data or even artificial intelligence and it is the only system that also takes into account the number of people alighting. Additionally, manual or automated input based on empirical values is also possible. MOBILEguide can influence vehicle occupancy, makes it easier for passengers to comply with social distancing requirements, and helps maintain confidence in the safety of public transport systems in these challenging times.



## Enabling social distancing while planning efficiently

Transport companies currently face the enormous task of utilising vehicles as efficiently as possible, while creating conditions that allow customers to comply with physical distancing requirements. In addition, they need to anticipate and respond to the easing or tightening of regulations at any given time.

This poses particular challenges for transport companies with regard to timetable, block and duty scheduling. INIT offers an optional solution that automatically transfers vehicle occupancy rates to the planning system, with integrated optimisation enabling operators to plan as cost effectively and safely as possible.

## Contactless, convenient ticketing

At a time when social distancing is top priority, we offer transport companies various contactless payment solutions, including our latest generation of ticket printers and passenger terminals. In addition, INIT responded rapidly to the change in customer requirements and developed a range of additional compact card readers, so that cashless payments can now also be offered to transport companies who have different vehicle equipment.

All these options reduce physical contact compared with cash payments. They also considerably speed up the payment process, which in turn reduces boarding times and improves punctuality. We achieved great success in this area in 2020 with our implementation of contactless payments on board all Nottingham City Transport's buses (read more on page 23). In addition, VWG Oldenburg, one of the first German transport companies to implement cashless payments, also chose an INIT solution.



CONTACTLESS PAYMENTS ARE  
**6 times**  
 QUICKER THAN CASH PAYMENTS

## Responding effectively to reduced passenger numbers

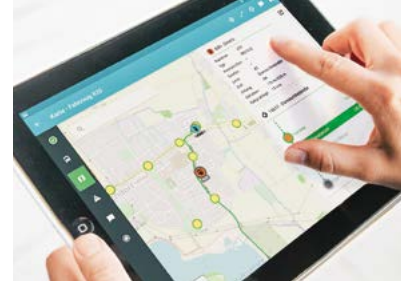
The sharp decline in passenger numbers due to the COVID-19 pandemic will continue to impact transport companies for quite some time. Although ticket revenues have fallen as a result, costs have remained virtually unchanged. Consequently, many lines can no longer be operated profitably, particularly in outlying areas and during off-peak

times. Potential cost savings therefore need to be identified. One possibility is to operate certain lines as an on-demand service. INIT ITCS users are able to easily achieve this through delivery of a supplementary module. In this way, operating costs can be reduced without negatively impacting the service for passengers.



## Operations control center at home or on the move: MOBILEmodi

Lockdown and home working requirements also affect dispatchers. To be able to access operational information outside the control centre, we offer our customers the tablet-based module MOBILEmodi. This is a supplementary part of the MOBILE-ITCS operations control system, which provides access to all necessary information, as well as various functions and communication channels. Consequently, mobile dispatching is a real alternative during the COVID-19 pandemic and beyond.



## Remote hardware demonstration and approval enable project progress

INIT currently also needs to maintain physical distance when liaising with customers, which is a major drawback for us, since close cooperation with our customers is part of our ethos.

However, the difficult conditions in 2020 prompted us to find brand new approaches: Despite the 8,000 kilometer distance, we successfully continued with a project with ORCA, our customer from the Seattle metropolitan area. This was achieved thanks to the functional unit test (FUT) for our latest generation ticketing system which included the VENDstation ticket vending machine, the PROXmobil3 passenger terminal and a driver display.

Instead of on-site demonstrations, we presented the system functions live from Karlsruhe using eight cameras, with a total of 100 points successfully tested according to the test plan – a model that has also been used for other acceptance tests.



## 2020 User Group Meeting: Virtual. Sensational.

Last year, along with many other events, we had to cancel our face-to-face user group meeting entitled "Together. Designing. Mobility." Instead, we found creative ways to ensure that our customers received all of the content and key elements of the INIT user group meeting online.

On May 27, 2020, participants were able to join a livestream to find out about INIT's latest innovations and key issues in the mobility sphere, in both German and English. On the following day, thanks to the use of virtual meeting rooms, customers had the opportunity to exchange their experiences which they always greatly appreciate. We also took advantage of the less rigid framework of the online event to hold a series of webinars throughout June and explored numerous key topics in greater depth. In addition, all of the content and recordings were available in a dedicated event portal until the end of September.

# WHAT INIT ACHIEVED IN 2020

For us too, 2020 was marked by many restrictions brought about by the Corona virus pandemic but it was also filled with many successes, both large and small.



© Keolis | Leo Grandpierre

## Our cloud solution for zero emissions in Bergen

Climate-friendly electromobility is gaining ground in public transport and our customer, Keolis Norway is one of the pioneers. The transport company relies on INIT systems to manage its e-bus fleet, which is the second largest in Northern Europe. Since the end of 2020 the monitoring and charge management for their vehicles have been carried out using an entirely cloud-based software as a service (SaaS) solution.

The innovative, interconnected software components for this solution are supplied by two INIT Group companies: Mattersoft provides the application for real-time fleet monitoring (see also p. 13), while our subsidiary CarMedialab supplies the intelligent charge management system MOBILEcharge. Together, they form the IT basis for this flagship electromobility project in the public transport sector.

# 15%

**OF THE WORLD'S  
POPULATION LIVE WITH  
A DISABILITY**



## Inclusive transport for Singapore

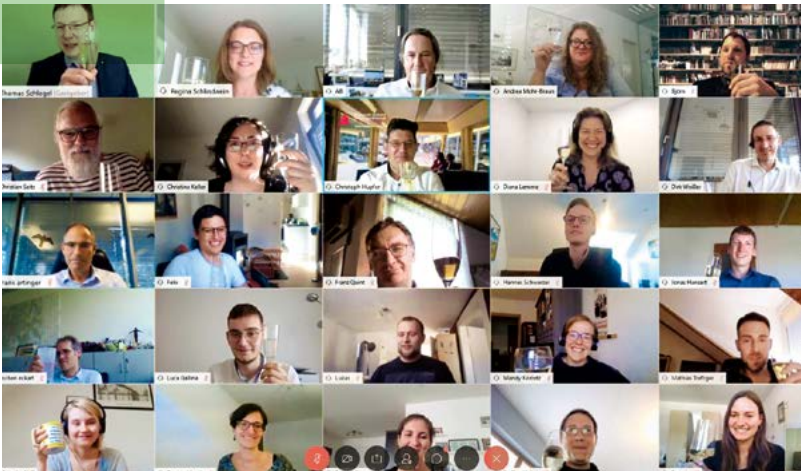
Public transport should be accessible to all. INIT has therefore entered into a forward-looking partnership with the transport company Land Transport Authority of Singapore and SG Enable, an agency representing the interests of people with disabilities, to better meet the specific needs of passengers with visual, hearing or mobility impairments.

Approximately two years of intensive research and product development resulted in the travel assistance system ASSISTIVETravel. An app supports users throughout their journey and is tailored to their individual requirements. Accessibility is the main priority. This is why features include optimised usability and external bus announcements for the visually impaired, announcements via hearing aids as well as alerts for bus drivers when passengers with disabilities board or alight. This successful project received two awards at the UITP Global Public Transport Summit and development will now continue with the integration of two new bus routes and an update of the app in summer 2021.

## Sponsored professorship celebrates fifth anniversary

Cooperation with educational institutions and the promotion of new talent are close to INIT's heart. This is particularly true for our "Public Transport" sponsored professorship at Karlsruhe University. It combines two fields of study: information technology and traffic engineering – an area of expertise that is in demand more than ever.

In May 2020, we held a virtual event to celebrate the five-year anniversary of the professorship with Prof. Dr. Ing. Thomas Schlegel.





## Open to standards: Passenger terminal receives ITxPT label

Non standardised interfaces represent a major challenge for system networking. In light of this, the organisation Information Technology for Public Transport (ITxPT) has set itself the clear objective of developing standards on the exchange of data and the interaction of IT systems in the public transport sector.

As a founding member of ITxPT, we contributed our expertise to support the creation of open architecture. Hard on the heels of the accreditation of INIT's PC-based COPILOTpc2 on-board computer came the PROXmobil3 passenger terminal which has now also earned the ITxPT label. Our involvement with ITxPT has benefited our customer in Turku, Finland, where interoperability has been a key focus since the beginning of our cooperation. The ITxPT label now allows smooth communication within the vehicle infrastructure.



**INIT IS A FOUNDING  
MEMBER OF THE  
STANDARDISATION  
INITIATIVE**



## Operational services: assistance beyond project delivery

We know exactly which solutions best suit our customers' needs. Following delivery of our systems, we continue to provide 24/7 assistance to our customers. We help transport company employees focus on the job at hand, offering operational services that correspond to the respective tasks and business processes.

Depending on the specific requirements, we offer customised services such as data management, comprehensive system management, administration, monitoring, maintenance, and even change management services. This makes us a competent, reliable partner in any situation.



## Contactless payments for safe and contact-free travel in Nottingham

With the support of INIT systems, Nottingham City Transport are now offering their passengers the option of contactless payments on all their buses. NET trams and Link buses will be joining the scheme later this year. This represents a further milestone for our innovative ticketing systems.

Contactless ticketing is not only popular with passengers, speeding up the boarding process, it also reduces the cost of cash handling for transport companies. Amid the COVID-19 pandemic, the new ticketing system offers another advantage: Contact is reduced to a minimum compared with traditional payment methods, which benefits passengers and drivers alike.

## Vehicle hardware update: COPILOTpc3 and EVENDpc3

Modern telematic and ticketing applications place high demands on the performance of on-board computers and ticket printers. That was why, in 2020, INIT launched two devices to ensure that transport companies are equipped to deal with future challenges in this area.

The new generations of the COPILOTpc3 and EVENDpc3 vehicle hardware offer better performance and new functions and are 5G-ready. They use the same mounting panels which makes migration uncomplicated. The devices can be replaced in just a few minutes and the old models also remain compatible for a combined operation.



# STABLE WINNER

## ... IN A HISTORICAL CRISIS

2020 will go down in history as a year of exceptional crisis. This is also true for the capital markets worldwide. Never before in history was there a year on the stock markets in which prices plummeted so fast and steeply across the board – and recovered again by the end of the year, at least in the relevant industrialised countries. Particularly the technology stocks such as init, whose business model is digitisation, benefited in these circumstances as stable winners.

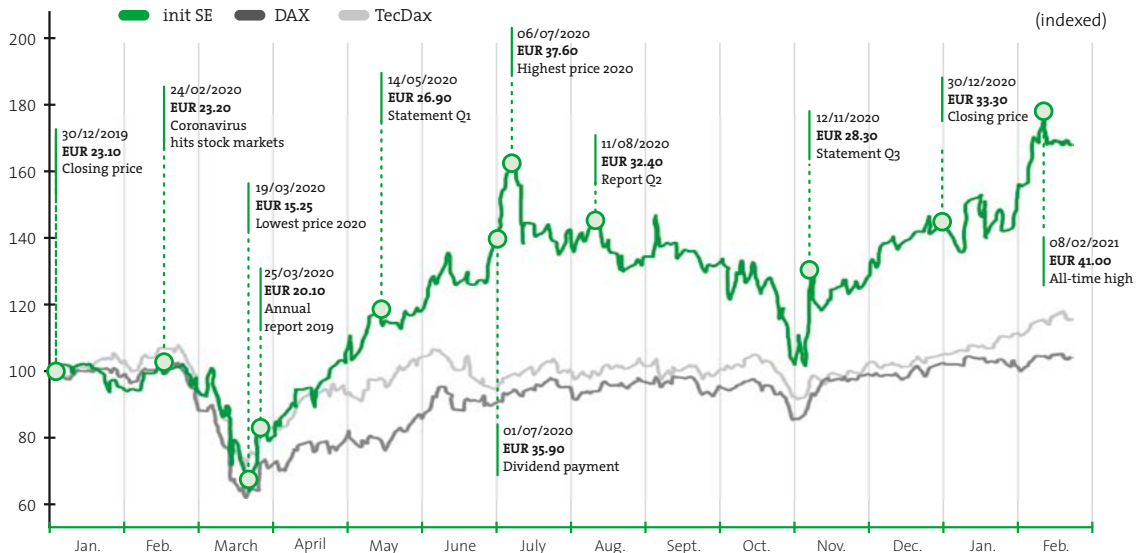
The global stock markets started the year with great optimism. However, the outbreak of the coronavirus triggered substantial price losses in March. As a result of the pandemic and the lockdown measures associated with it, many indexes lost up to 40 per cent within just four weeks.

However, the expectations of a fast economic recovery grew as the number of acute infections dropped and coronavirus-related restrictions were lifted. Accommodated by worldwide expansive

monetary policy this resulted in a flow of large amounts of capital on the stock exchanges. By late autumn, the relevant share indexes had recovered their losses again. Although the second lockdown triggered another setback, a cheerful sentiment was apparent by year-end and afterwards. The German index DAX gained almost 4 per cent for the year, the index of leading technology shares (TecDAX) gained over 7 per cent.

The init share (ISIN DE0005759807) showed a stable performance in this volatile environment. Supported by sound business figures and intact long-term growth perspectives, its price peaked several times. After a low of EUR 15.25 due to the shock caused by the coronavirus pandemic in March, the Managing Board gave a clear signal through the share buyback, which was welcomed by more investors. The init share therefore gained significantly and reached an all-time high of EUR 37.60 at the beginning of July. This was followed by profit taking, with share prices around the EUR 25 mark at the end of October. The init share was again on the buy lists and increased to

Performance of the init share





# 0.55

## EUR DIVIDEND PROPOSAL TO THE AGM 2021

EUR 33.30 at the end of the year, thus closing the turbulent year 2020 having gained over 41 per cent.

Following the first positive company reports, this upswing continued in the new 2021 financial year and the init share exceeded the EUR 40 mark for the first time. Currently, analysts see a price potential of up to EUR 49.

25,140 treasury shares at a weighted average price of EUR 32.71 (excluding incidental expenses) were acquired in the period from 28 July 2020 through 18 August 2020. The acquisition took place via the stock exchange (XETRA). The total number of shares repurchased corresponds to a 0.76 per cent share of the capital stock of init innovation in traffic systems SE.

## SHARE BUYBACK PROGRAMME WELCOMED

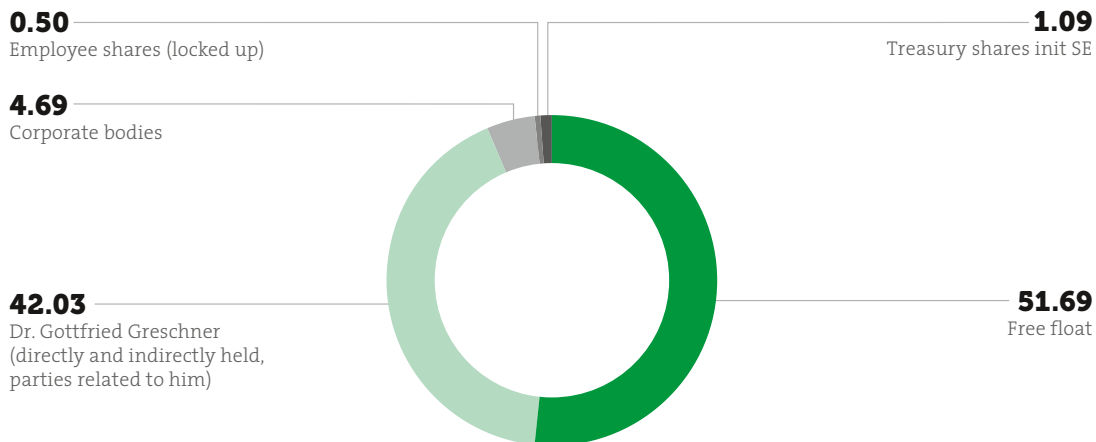
The share buyback programme, which was approved by the Managing Board with the authorisation granted by the Annual General Meeting and implemented in a targeted manner, was received very positively. Accordingly, the company initially acquired a total of 51,613 treasury shares at a weighted average price of EUR 19.49 (excluding incidental expenses) in the period from 18 March 2020 through 12 May 2020. A further

## VIRTUAL ANNUAL GENERAL MEETING WELL RECEIVED

The first virtual Annual General Meeting on 26 June 2020 was also received positively. This was evident not only in the unchanged high "attendance rate" of the capital stock represented, but also in the voting results. Therefore the appropriation of the retained earnings with a dividend distribution of EUR 0.40 (previous year: EUR 0.12) per dividend-bearing no-par value share was approved with a vote of 99.98 per cent.

Shareholder structure as of 31 December 2020

(per cent)



This year's Annual General Meeting on 19 May 2021 will also take place as a virtual event. A dividend of EUR 0.55 will be proposed to the Annual General Meeting.

## DIGITISATION OF INVESTOR RELATIONS

The coronavirus crisis also shaped the work of Investor Relations in the reporting period. The second Investor Day in June originally planned as an onsite event could not take place. All other investor road shows as well as capital market conferences were conducted as digital events. Participation in the Equity Forum of the German stock exchange in November was virtual as was the press and analyst conference on the financial figures at the end of March.

Capital market based figures	2020	2019
High (EUR)	37.60	23.80
Low (EUR)	15.25	12.15
Start price (EUR)	23.90	13.80
Closing price (EUR)	33.30	23.10
Market capitalisation (EURm)	334.3	231.9
Average daily trading volume (shares)*	9,150	8,014
Dividend per common share (EUR)	0.55 **	0.40
Earnings per share (EUR)	1.50	1.13

\* all German stock exchanges

\*\* proposal to the next AGM (source Bloomberg)



# SUPERVISORY BOARD



## Dipl.-Kfm. Hans-Joachim Rühlig

Chairman

### About

- Ostfildern, Germany
- Independent Management Consultant
- Independent Financial Expert (§100 para 5 AktG)

### Vita

- Supervisory Board Member since 2011
- Chairman since 2014
- Managing Board Member of Stiftung Bauwesen, Stuttgart / Germany
- Former Managing Board Member of Ed. Züblin AG, Stuttgart, Germany



## Dipl.-Ing. Ulrich Sieg

Deputy Chairman

### About

- Jork, Germany
- Consulting Engineer specialised in Public Transport

### Vita

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



## Dipl.-Ing. (FH) Christina Greschner

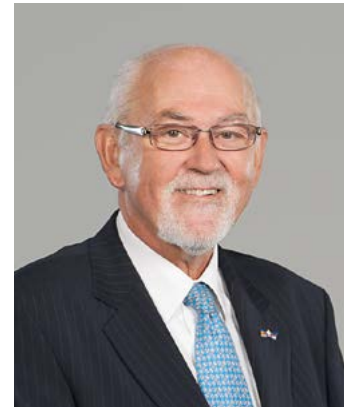
Member

### About

- Karlsruhe, Germany
- M.A. Family Entrepreneurship

### Vita

- Supervisory Board Member since 2019
- Since 2007 various management positions with the init group
- Extensive knowledge of the INIT Group
- International experience



## Drs. Hans Rat

Member

### About

- Schoonhoven, Netherlands
- Honory Secretary General of UITP

### Vita

- Supervisory Board Member since 2012
- Former Secretary General of the International Association of Public Transport UITP
- Managing Director of Beaux Jardins B.V., Schoonhoven, Netherlands

# CONSOLIDATED BALANCE SHEET

as of 31 December 2020 (IFRS)

## ASSETS

EUR '000	31/12/2020	31/12/2019
<b>Current assets</b>		
Cash and cash equivalents	32,211	26,174
Marketable securities and bonds	40	37
Trade accounts receivable	38,650	43,025
Contract assets	22,174	22,099
Receivables from related parties	174	52
Inventories	32,626	27,783
Income tax receivable	966	810
Other current assets	3,207	3,734
<b>Current assets, total</b>	<b>130,048</b>	<b>123,714</b>
<b>Non-current assets</b>		
Property, plant and equipment	57,363	50,805
Investment property	1,401	1,480
Goodwill	12,488	9,035
Other intangible assets	18,582	8,765
Interests in associated companies	570	390
Deferred tax assets	3,102	3,017
Other non-current assets	3,091	3,192
<b>Non-current assets, total</b>	<b>96,597</b>	<b>76,684</b>
<b>Assets, total</b>	<b>222,645</b>	<b>200,398</b>

## LIABILITIES AND SHAREHOLDERS' EQUITY

EUR '000	31/12/2020	31/12/2019
<b>Current liabilities</b>		
Bank loans	17,480	17,842
Trade accounts payable	7,541	8,560
Contract liabilities	15,246	16,435
Advance payments received	1,360	747
Income tax payable	1,011	3,040
Provisions	11,627	10,263
Other current liabilities	19,924	20,697
<b>Current liabilities, total</b>	<b>74,189</b>	<b>77,584</b>
<b>Non-current liabilities</b>		
Bank loans	19,979	12,228
Deferred tax liabilities	5,793	2,619
Pensions accrued and similar obligations	11,767	11,149
Provisions	2,439	1,204
Lease liabilities	13,896	10,067
Other non-current liabilities	8,060	0
<b>Non-current liabilities, total</b>	<b>61,934</b>	<b>37,267</b>
<b>Shareholders' equity</b>		
Attributable to equity holders of the parent company		
Subscribed capital	10,040	10,040
Additional paid-in capital	6,619	5,688
Treasury shares	-2,384	-582
Surplus reserves and consolidated unappropriated profit	80,327	70,505
Other reserves	-4,268	-272
	90,334	85,379
Non-controlling interests	188	168
<b>Shareholders' equity, total</b>	<b>90,522</b>	<b>85,547</b>
<b>Liabilities and shareholders' equity, total</b>	<b>226,645</b>	<b>200,398</b>

# CONSOLIDATED INCOME STATEMENT

for the financial year 2020 (IFRS)

EUR 'ooo	01/01/ to 31/12/2020	01/01 to 31/12/2019
Revenues	180,668	156,464
Cost of sales	-118,501	-103,226
<b>Gross profit</b>	<b>62,167</b>	<b>53,238</b>
Sales and marketing expenses	-17,986	-16,709
General administrative expenses	-16,823	-13,328
Research and development expenses	-10,964	-10,440
Other operating income	3,329	3,355
Other operating expenses	-289	-176
Foreign currency gains and losses	28	673
Expenses and income from associated companies	180	-373
<b>Earnings before interest and taxes (EBIT)</b>	<b>19,642</b>	<b>16,240</b>
Interest income	93	102
Interest expenses	-999	-1,104
<b>Earnings before taxes (EBT)</b>	<b>18,736</b>	<b>15,238</b>
Income taxes	-3,793	-3,903
<b>Net profit</b>	<b>14,943</b>	<b>11,335</b>
thereof attributable to equity holders of parent company	14,924	11,332
thereof non-controlling interests	19	3
Earnings and diluted earnings per share in EUR	1.50	1.13

# FIVE-YEAR FINANCIAL SUMMARY

of the init group (IFRS)

EUR 'ooo	2020	2019	2018	2017	2016
<b>Balance Sheet (31/12)</b>					
Balance sheet total	226,645	200,398	168,461	176,805	185,132
Shareholders' equity	90,522	85,547	75,762	73,309	76,401
Subscribed capital	10,040	10,040	10,040	10,040	10,040
Equity ration (in %)	40.0	42.7	45.0	41.5	41.3
Debt capital	136,123	114,851	92,699	103,496	108,731
Non-current assets	96,597	76,684	62,109	64,191	65,576
Non-current assets	130,048	123,714	106,352	112,614	119,556
Cash	32,211	26,174	20,620	19,763	23,920
<b>Income Statement (01/01-31/12)</b>					
Revenues	180,668	156,464	135,711	130,554	108,635
Gross profit	62,167	53,238	45,979	42,662	31,294
EBIT	19,642	16,240	6,372	8,563	11,665
EBITDA	28,891	23,453	10,942	12,763	15,722
Consolidated net profit	14,943	11,335	2,439	3,644	8,609
Earnings per share (in EUR)	1.50	1.13	0.24	0.37	0.86
Dividend (in EUR)	0.55*	0.40	0.12	0.22	0.22
<b>Cashflow</b>					
Cash flow from operating activities	24,437	21,132	12,809	2,051	13,182
<b>Share</b>					
Issue price (in EUR)	5.10	5.10	5.10	5.10	5.10
Peak share price (in EUR)	37.60	23.80	22.00	20.47	16.80
Bottom share price (in EUR)	15.25	12.15	13.80	13.51	12.60

\* dividend to be proposed to the AGM 2021

## Imprint

### CONTACT

INIT GmbH  
Käppelestraße 4–10, D-76131 Karlsruhe  
Phone: +49.721.6100.0. Fax +49.721.6100.399  
info@initse.com, www.initse.com

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www.initse.com

Orthographie & Stil  
Aaron Christoph Treskow, Glinde  
www.stilvollschreiben.com

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

### PICTURE CREDITS

Andrea Fabry, Hannes Schwarzer, INIT, iStock,  
Jürgen Glöggler, Keolis/Szabolcs Blasko,  
Keolis/Leo Grandpierre, Kerstin Groh,  
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