



## IMPORTANT BUSINESS TRANSACTIONS IN THE FIRST QUARTER 2024

The conflict between Russia and Ukraine is ongoing, as well as the conflict in the Middle East. Inflation rates are globally shrinking, however, a significant turnaround in the monetary policy of major national banks is not yet observed.

Nevertheless, the International Monetary Fund ("IMF") adjusted its global outlook for 2024 on the latest insights from 2023 to 3.2 per cent (January forecast: +3.1 per cent; 2023 actual: +3.2 per cent). In addition, mid-term growth prospects are moderate and according to the IMF on a historically low level.

For the advanced economies, the IMF forecasts a growth of +1.7 per cent in 2024, with a slight increase compared to the growth rate in 2023 (+1.6 per cent). After the recession in 2023 (-0.3 per cent), the IMF expects a slight increase in the gross domestic product of Germany (+0.2 per cent). However, this represents a reduction compared to previous expectations (January forecast: +0.5 per cent).

According to the IMF's analysis, opportunities and risks appear to be balanced: geopolitical tensions, persistently high (core) inflation and interest rates, geo-economic fragmentation and growth risks in China are offset by the possibility of a faster decline in inflation, increased public spending to support the economy



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and productivity gains from new technologies such as AI. Overall, the IMF expects a global “soft landing”, but recognizes the need for global cooperation to reduce costs and risks of global fragmentation and climate change, and to accelerate a more sustainable economy and the consolidation of public budgets.

Demand for public transport remains stable and should be supported, particularly in Germany, by promotional measures such as the recently reconfirmed Deutschland-Ticket.

### Orders

In the first quarter 2024, init received new orders totalling EUR 256.1m (Q1 2023: EUR 69.5m). Order intake is therefore significantly higher than in the previous year. The Q1 2024 order intake includes in particular the iBus Next Generation, London, und AFC 2.0, Atlanta (USA) orders.

The order backlog as of 31 March 2024 amounts to around EUR 384m and is higher than the previous year's figure of approximately EUR 195m.

### Earnings position

Over the course of the financial year, the init group's revenue distribution fluctuates, with the first quarter generally being the weakest in terms of revenue and the fourth quarter the strongest. For the current financial year, init expects the same basic seasonality, albeit to a lesser extent. This is due to the expected course of projects, which will strongly contribute in the first and second quarter of 2024.

During the first quarter of 2024, init generated revenues of EUR 50.5m (Q1 2023: EUR 38.5m). Revenue was about 31.0 per cent higher than the previous year's figure caused by an increase in the core market Germany and the rest of Europe. As in 2023, the core market Germany was the strongest individual market.

#### Breakdown of revenues by region for the first three months:

in million EUR	01/01-31/03/2024	%	01/01-31/03/2023	%
Germany	18.6	36.8	12.0	31.2
Rest of Europe	10.7	21.2	6.5	16.9
North America	16.9	33.5	14.3	37.1
Other countries (Australia, UAE)	4.3	8.5	5.7	14.8
<b>Total</b>	<b>50.5</b>	<b>100.0</b>	<b>38.5</b>	<b>100.0</b>

Revenues based on customer's location.

**Gross profit** amounted to EUR 17.9m and was significantly above previous year's figure (Q1 2023: EUR 12.1m). At around 35 per cent, the gross margin has risen compared to previous year (Q1 2023: around 31 per cent). This is supported by continued good business development for the optical components market segment and in the area of planning software, but also a high performance contribution from projects, particularly in the ticketing area.

**Sales and administrative expenses** have increased by EUR 1.8m to EUR 12.6m compared to the previous year (Q1 2023: EUR 10.8m). The cost increase is due to the increase in personnel and inflation-induced salary adjustments in the previous year. This development is in line with our expectations for the first quarter 2024.

In total **research and development expenses** have increased to EUR 5.3m (previous year: EUR 4.3m), including the services for internally developed software of EUR 2.2m (previous year: EUR 0.9m) which were



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capitalised in line with the 2023 financial statements. Expenses of EUR 3.1m were recognised in the income statement (Q1 2023: EUR 3.4m). This development is also in line with our expectations.

**Foreign exchange gains** increased in the reporting period (EUR 0.8m; previous year: EUR 0.3m). This position mainly includes unrealized gains and losses on the valuation of receivables and liabilities in foreign currencies.

**Earnings before interest and taxes (EBIT)** of EUR 3.7m was above the previous year's figure (Q1 2023: EUR -0.9m). This is mainly due to the strong increase in gross profit as a result of the revenue growth described above. This was offset by the below average but in absolute significant increase in sales and administrative expenses also described above. The development is in line with our forecast for the financial year 2024.

**Net interest income** (balance of interest income and interest expense) amounted to EUR -0.3m and was slightly below previous year's level (Q1 2023: EUR -0.1m).

**Consolidated net profit** amounted to EUR 2.3m as of 31 March 2024 and is above the previous year's figure, mainly due to the higher operating earnings (Q1 2023: EUR -1.8m). Earnings per share amount to EUR 0.24 (Q1 2023: EUR -0.17).

**Total comprehensive income** amounted to EUR 3.5m (Q1 2023: EUR -2.9m). The increase is a result of the higher consolidated net profit as well as from gains from currency translation.

**Cash flow from operating activities** amounted to EUR 7.5m (Q1 2023: EUR 3.6m) and was significantly higher than in the previous year. This is mainly due to the increased consolidated net profit.

**Cash flow from investing activities** amounted to EUR -2.6m (Q1 2023: EUR -2.5m) and, next to replacement and expansion investments includes the capitalisation of internally generated software already described under the item "research and development costs".

**Equity** increased to EUR 124.1m as of 31 March 2024 (31 March 2023: EUR 114.8m).

**The equity ratio** as of 31 March 2024 amounted to 44.8 per cent (31 March 2023: 46.5 per cent) and was, thus, slightly below the level at the end of 2023 (31 December 2023: 46.3 per cent).

## Personnel

On average, the init group employed 1,244 people in the first three months of 2024 (Q1 2023: 1,126), including temporary staff, research assistants and graduands. There was also an increase in the number of part-time employees. In the first quarter of 2024, 214 employees were employed on a part-time basis (Q1 2023: 203).

### Number of employees by region:

	31/03/2024	31/03/2023
Germany	970	889
Rest of Europe	98	65
North America	152	148
Other countries	24	24
<b>Total</b>	<b>1,244</b>	<b>1,126</b>



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### Opportunities and risks

The opportunities and risks that could have a significant influence on the net assets, financial position and results of operations of the init group are presented in our Annual Report 2023 on pages 55 et seq. and in particular from p. 59 et seq. onwards. The opportunities and risks described in the Annual Report 2023 essentially continue to exist unchanged.

In line with the IMF's perspective (see above), the init group still sees considerable uncertainties regarding the development in the coming months, which could have a particular impact on the award of contracts in tenders.

All risks are regularly analysed and appropriate measures are initiated or precautions taken. In our opinion, there are no risks that are capable of jeopardising the continued existence of the company.

### Forecast and outlook

The key figures for the first quarter of 2024 are in line with the expectations of the Managing Board. The init group results are within the target corridor set for the year as a whole. We are therefore **maintaining our guidance** with regard to **group revenue of around EUR 240m – 260m** and operating earnings before interest and taxes **(EBIT) of EUR 24m - 28m**.

Actual results may deviate considerably from the forecast figures if new risks arise or if assumptions underlying the planning subsequently prove to be incorrect.

### Additional information

This quarterly statement and the information contained therein are unaudited.



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## CONSOLIDATED INCOME STATEMENT

from 1 January 2024 to 31 March 2024 (IFRS) with comparative values (unaudited)

EUR '000	01/01 to 31/03/2024	01/01 to 31/03/2023
Revenues	50,453	38,524
Cost of sales	-32,549	-26,415
<b>Gross profit</b>	<b>17,904</b>	<b>12,109</b>
Sales and marketing expenses	-6,838	-5,614
General administrative expense	-5,810	-5,168
Research and development expenses	-3,063	-3,393
Other operating income	840	814
Other operating expenses	-109	48
Foreign currency gains and losses	755	277
<b>Earnings before interest and taxes (EBIT)</b>	<b>3,679</b>	<b>-927</b>
Interest income	156	70
Interest expenses	-485	-199
<b>Earnings before taxes (EBT)</b>	<b>3,350</b>	<b>-1,056</b>
Income taxes	-1,032	-759
<b>Net profit</b>	<b>2,318</b>	<b>-1,815</b>
thereof attributable to equity holders of parent company	2,402	-1,693
thereof non-controlling interests	-84	-122
Earnings and diluted earnings per share in EUR	0.24	-0.17
Average number of floating shares	9,844,993	9,885,031

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

from 1 January 2024 to 31 March 2024 (IFRS) with comparative values (unaudited)

EUR '000	01/01 to 31/03/2024	01/01/ bis 31/03/2023
<b>Net profit</b>	<b>2,318</b>	<b>-1,815</b>
<b>Items to be reclassified to the income statement:</b>		
Net gains (+) / net losses (-) on currency translation	1,174	-1,131
<b>Total other comprehensive income</b>	<b>1,174</b>	<b>-1,131</b>
<b>Total comprehensive income</b>	<b>3,492</b>	<b>-2,946</b>
Thereof attributable to equity holders of the parent company	3,576	-2,824
Thereof non-controlling interests	-84	-122



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# CONSOLIDATED BALANCE SHEET

as of 31 March 2024 (IFRS) with comparative values (unaudited)

EUR '000	31/03/2024	31/03/2023	31/12/2023
Cash and cash equivalents	39,108	38,662	27,303
Marketable securities and bonds	28	27	30
Trade accounts receivable	32,774	32,544	43,496
Future receivables from production orders from PoC method	28,558	14,867	21,560
Receivables from related parties	29	0	0
Inventories	54,271	45,293	49,275
Income tax receivable	0	978	1,440
Other assets	5,263	6,790	4,766
<b>Current assets, total</b>	<b>160,031</b>	<b>139,161</b>	<b>147,870</b>
Property, plant and equipment	66,932	64,576	64,055
Investment property	1,349	1,342	1,351
Goodwill	12,488	12,488	12,488
Other intangible assets	26,844	20,486	25,494
Interests in associated companies	778	778	777
Deferred tax assets	4,738	4,634	4,826
Other assets	3,783	3,455	3,617
<b>Non-current assets, total</b>	<b>116,912</b>	<b>107,759</b>	<b>112,608</b>
<b>Assets, total</b>	<b>276,943</b>	<b>246,920</b>	<b>260,478</b>
Bank loans	29,722	18,816	19,665
Trade accounts payable	8,138	9,705	11,961
Accounts payable from PoC method	20,790	13,495	16,364
Advance payments received	5,233	2,752	3,117
Income tax payable	2,404	4,123	3,616
Provisions	4,191	5,680	4,009
Lease liabilities	4,095	3,434	3,752
Other liabilities	15,784	20,836	15,923
<b>Current liabilities, total</b>	<b>90,357</b>	<b>78,841</b>	<b>78,407</b>
Bank loans	23,479	18,174	25,680
Deferred tax liabilities	6,383	5,017	6,297
Pensions accrued and similar obligations	7,787	7,492	7,636
Provisions	1,679	1,926	1,705
Lease liabilities	23,174	20,460	20,187
Other financial liabilities	0	190	0
<b>Non-current liabilities, total</b>	<b>62,502</b>	<b>53,259</b>	<b>61,505</b>
<b>Liabilities, total</b>	<b>152,859</b>	<b>132,100</b>	<b>139,912</b>
Attributable to equity holders of the parent company			
Subscribed capital	10,040	10,040	10,040
Additional paid-in capital	5,949	6,752	6,879
Treasury stock	-4,463	-3,499	-5,441
Surplus reserves and consolidated unappropriated profit	108,539	97,692	106,159
Other reserves	3,694	3,760	2,521
	<b>123,759</b>	<b>114,745</b>	<b>120,158</b>
Non-controlling interests	325	75	408
<b>Shareholders' equity, total</b>	<b>124,084</b>	<b>114,820</b>	<b>120,566</b>
<b>Liabilities and shareholders' equity, total</b>	<b>276,943</b>	<b>246,920</b>	<b>260,478</b>



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# CONSOLIDATED CASHFLOW STATEMENT

from 1 January 2024 to 31 March 2024 (IFRS) with comparative values (unaudited)

EUR '000	01/01 to 31/03/2024	01/01 to 31/03/2023
<b>Cash flow from operating activities</b>		
Net income	2,318	-1,815
Amortisation and depreciation	2,963	2,794
Gains on the disposal of fixed assets	6	-8
Change in provisions and accruals	286	-1,229
Change in inventories	-4,686	-3,494
Change in trade accounts receivable and future receivables from production orders	4,567	3,278
Change in other assets, not provided by / used in investing or financing activities	821	-2,025
Change in trade accounts payable	-4,267	-735
Change in advanced payments received and liabilities from PoC method	6,369	5,488
Change in other liabilities, not provided by / used in investing or financing activities	-1,604	801
Amount of other non-cash income and expenses	730	532
<b>Net cash from operating activities</b>	<b>7,503</b>	<b>3,587</b>
<b>Cash flow from investing activities</b>		
Payments received on disposal of property, plant and equipment	46	10
Investments in property, plant and equipment	-484	-1,398
Investments in other intangible assets	-2,194	-1,099
Cash paid/received for financial assets	9	1
Payments received on disposal of marketable securities	2	0
Capital contributions and loans to associated companies	-1	0
<b>Net cash flows used in investing activities</b>	<b>-2,622</b>	<b>-2,486</b>
<b>Cash flow from financing activities</b>		
Cash payments for the purchase of treasury stock	0	-802
Payments received from bank loans incurred	10,728	3,855
Redemption of bank loans	-2,871	-4,901
Payment of principal on lease liabilities	-1,015	-1,047
Change in current and non-current lease liabilities	-86	-70
<b>Net cash flows used in financing activities</b>	<b>6,756</b>	<b>-2,965</b>
Net effects of currency translation and consolidation changes in cash and cash equivalents	168	476
<b>Changes in cash and cash equivalents</b>	<b>11,805</b>	<b>-1,388</b>
Cash and cash equivalents at the beginning of the period	27,303	40,050
<b>Cash and cash equivalents at the end of the period</b>	<b>39,108</b>	<b>38,662</b>



## IMPRINT

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This statement contains future-related statements, which are based on current estimates of the company with regard to future developments. Such statements are inherently subject to risks and uncertainties, as they may be affected by factors that are neither controllable nor foreseeable by init, such as on the development of the future market environment and economic conditions, the behaviour of other market participants and government measures. If one of these uncontrollable or unforeseeable factors occurs, respectively changes or the assumptions on which these statements are based prove inaccurate, actual developments and results could differ materially from the results cited explicitly or contained implicitly in these statements.





## FINANCIAL CALENDAR 2024

**Q2**

**6 June**

**Shareholders' Meeting 2024 in Karlsruhe**

**Q3**

**13 August**

**Publication Half-year Financial Report 2024**

**Q4**

**13 November**

**Publication Quarterly Statement 3/2024**

**25-26 November**

**Equity Forum**