



IMPORTANT BUSINESS TRANSACTIONS IN THE THIRD QUARTER 2024



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Orders

In the third quarter, init acquired new orders to the value of EUR 57.3m (Q3 2023: EUR 38.3m). In particular, these included a number of orders from new customers in other European countries. Incoming orders for the third quarter are EUR 19.0m above the previous year's level. Cumulated analysis shows improved incoming orders of EUR 362.3m as of 30 September 2024; an increase of EUR 213.6m compared to the previous year's figure (30 September 2023: EUR 148.7m).

The order backlog as at 30 September 2024 amounts to approximately EUR 392.5m and is EUR 226.3m above the previous year's level (30 September 2023: EUR 166.2m).

Changes in the basis of consolidation

On 6 September 2024, init acquired the international data management specialist DILAX Intelcom GmbH, Berlin (DILAX), which specialises in the development and implementation of hardware and software solutions for urban areas. The aim of the acquisition is to strengthen init's position in the railway market and to exploit synergies in the areas of research and development and in sales. In FY 2023, DILAX generated revenue of around EUR 20m with six subsidiaries worldwide. DILAX is a wholly owned subsidiary of init SE and was consolidated for the first time on 1 September 2024.

Hansecom BY, based in Minsk, Belarus, in liquidation since 1 December 2022, was deconsolidated with effect from 1 August 2024.

IRIS SMART TECHNOLOGIES SRL, a wholly owned subsidiary of iris GmbH infrared & intelligent sensors, based in Verona, Italy, was founded on 10 July 2024.

In the third quarter, the wholly-owned subsidiary DResearch Fahrzeugelektronik GmbH, Berlin, was merged into the parent company iris GmbH infrared & intelligent sensors, Berlin, retroactively as of 1 January 2024.



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With the exception of the DILAX acquisition, the other corporate transactions are not material for the net assets, financial position and results of operations of the init group.

Earnings position

Traditionally, over the course of the financial year, the init group's revenue distribution fluctuates, with the first three quarters generally being weaker in terms of revenue and the fourth quarter being the strongest.

In the third quarter of 2024, the init group generated revenues of EUR 63.6m, which includes revenues of DILAX following its initial consolidation in September (Q3 2023: EUR 53.4m). In nominal terms, this represents an increase of 19.1 per cent compared to an increase of around 27.7 per cent in the first half of the year. This smaller increase compared to the first half of the year was in line with management's expectations although slight delays in the progress of individual projects were observed.

As a result, revenues in the first nine months of the year totaled EUR 178.1m, around 24.5 per cent up on the previous year's figure (EUR 143.0m). Overall, the management continues to assume that the forecast will be achieved.

Breakdown of revenues by region on a nine-month view:

in million EUR	01/01-30/09/2024	%	01/01-30/09/2023	%
Germany	61.3	34.4	49.0	34.3
Rest of Europe	38.8	21.8	25.5	17.8
North America	63.4	35.6	49.1	34.3
Other countries (Australia, UAE)	14.6	8.2	19.4	13.6
Total	178.1	100.0	143.0	100.0

Revenues based on customer's location.

Gross profit in the third quarter of 2024 amounted to EUR 22.2m (Q3 2023: EUR 19.7m). The gross margin of 35.0 per cent is below the previous year's level of 36.8 per cent. This was mainly the result of a slightly weaker business mix compared to the previous year and the build-up of resources to execute the major projects that are starting up. The cumulative gross profit of EUR 60.9m is still above the previous year's level (30 September 2023: EUR 51.1m).

Sales and administrative expenses in Q3 2024 amount to EUR 14.6m (Q3 2023: EUR 11.6m). The increase in costs is mainly due to the acquisition and first-time consolidation of DILAX, as well as higher personnel costs due to inflation and increased headcount. In the current year to 30 September 2024, sales and administrative expenses are approximately EUR 5.9m higher than in the previous year at EUR 41.8m (30 September 2023: EUR 35.9m).

Research and development expenses in the third quarter of 2024 amounted to EUR 3.8m (Q3 2023: EUR 3.3m). In addition, EUR 3.0m were capitalised as development costs in the third quarter of 2024 (Q3 2023: EUR 1.2m). In the first three quarters of 2024, research and development expenses amounted to EUR 9.8m, approximately EUR 0.3m above the previous year's level of EUR 9.5m. However, an additional EUR 7.6m were capitalised as development costs during the year (EUR 4.9m in the previous year). In the current financial year, approximately 10.0 per cent of revenue was invested in research and development.

Foreign exchange gains amount to EUR 0.8m (Q3 2023: EUR 0.0m) in the third quarter of 2024. As at 30 September 2024, accumulated foreign exchange gains amount to EUR 0.6m (30 September 2023: foreign exchange losses of EUR -0.5m). The movement is mainly related to unrealised exchange rate gains and losses from the valuation of receivables and liabilities as well as inventories in foreign currencies. This was largely due to the weakening of the US dollar at the reporting date compared to the previous quarter.



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Earnings before interest and tax (EBIT) for the third quarter of 2024 were EUR 5.0m (Q3 2023: EUR 5.5m) and increased year-on-year to EUR 11.7m for the year running until 30 September 2024 (30 September 2023: EUR 7.1m). Despite the increase in revenue, the decrease in the quarter is mainly due to the gross profit effects described above, DILAX acquisition and the increase in sales and administration personnel costs. Currency translation had an offsetting effect in the third quarter. EBIT for the third quarter is in line with management's expectations, taking into account the one-off effects of the DILAX acquisition. However, management still expects to achieve the targets set out in the guidance for the full year 2024.

Net interest income (balance of interest income and interest expense) amounted to EUR -0.8m in the third quarter 2024 (Q3 2023: EUR -0.5m) and has deteriorated on both a quarterly and a year-to-date basis (30 September 2024: EUR -1.7m; 30 September 2023: EUR -1.0m) due to an increased credit volume.

Net profit for the third quarter of 2024 amounts to EUR 3.3m (Q3 2023: EUR 3.8m). As at 30 September 2024, the accumulated profit is EUR 7.9m (30 September 2023: EUR 5.0m). This corresponds to earnings per share of EUR 0.82 (30 September 2023: EUR 0.51).

Total comprehensive income for the third quarter of 2024 amounts to EUR 0.7m (Q3 2023: EUR 6.3m). As at 30 September 2024 it increased to EUR 7.8m (30 September 2023: EUR 7.0m) as a result of the higher net profit and conversely, the unrealised losses on currency translation of the foreign companies, mainly due to the USD currency.

Cash flow from operating activities in the third quarter of 2024 amounts to EUR 8.1m (Q3 2023: EUR 2.9m). Compared to the same period of the previous year, cash flow increased significantly to EUR 8.0m (30 September 2023: EUR -4.0m). In addition to the higher net profit and higher non-cash expenses for depreciation and amortisation, the increase in operating cash flow is primarily attributable to the advance payments received from major projects.

Cash flow from investing activities in the third quarter 2024 amounts to EUR -12.1m (Q3 2023: EUR -2.1m). For the full year 2024, cash flow from investing activities amounts to EUR -19.3m (30 September 2023: EUR -7.5m). The significant increase compared to the previous year is mainly due to the acquisition of DILAX. In addition, there was an expansion of development services for internally generated software and the fitting out of new offices in various branches.

Cash flow from financing activities in the third quarter 2024 amounts to EUR 18.3m (Q3 2023: EUR -5.7m). As at 30 September 2024, cash flow from financing activities amounts to EUR 21.6m (30 September 2023: EUR 3.6m) and mainly includes the raising of long-term loans, short-term euro loans and the repayment of existing loans. This also includes the financing of the DILAX acquisition.

Equity amounts to EUR 121.5m and increased compared to the end of the year (31 December 2023: EUR 120.6m). The **equity ratio** fell to 39.3 per cent (31 December 2023: 46.3 per cent).

Personnel

In the first nine months of 2024, the init group counted on average 1,423 employees (30 September 2023: 1,128) including temporary workers, research assistants, and students doing thesis work. Of the 1,423 employees, 225 are employed on a part-time basis (30 September 2023: 210). The increase in personnel serves to secure and strengthen our planned growth. The acquisition of DILAX also led to an increase in the number of employees.



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Number of employees by region on a nine-month view:

	01/01/-30/09/2024	01/01/-30/09/2023
Germany	1,108	873
Rest of Europe	122	73
North America	168	161
Other countries	25	21
Total	1,423	1,128

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 seqq. 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 uncertainty regarding 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

After the first nine months of the fiscal year, the init group is well on its way to achieving the targets set for the year as a whole. The growth prospects were also confirmed in the third quarter of the financial year by the further increase in incoming orders. Usually the fourth quarter is the strongest in terms of earnings and revenue.

The key figures achieved are also in line with Management Board expectations. We therefore confirm our existing forecast for the current financial year: **revenue** target remains in the range of **EUR 240-260 million**, while **EBIT** is expected to be in the range of **EUR 24-28 million**. The integration of DILAX does not lead to a material change in the outlook.

Based on the macroeconomic and sector-specific developments, we see further opportunities to offer new technologies and IT solutions to our customers in the future. Climate change targets, ongoing demographic change and the associated global skills shortage are driving the demand for intelligent solutions in this area.

In order to drive current trends such as digitalisation, electromobility, mobility as a service and autonomous driving, init will continue to focus strongly on research and development. We see substantial potential for further growth in this technological development. We are confident about the investment programmes launched in Germany, the European Union and the USA for an environmentally friendly transport infrastructure and expect the company to continue its dynamic growth, for which the course has already been set.

Additional information

This quarterly statement and the information contained therein are unaudited.

Overall, we still see major uncertainty in the development of the economy over the next few months, which could have a particular impact on the awarding of contracts in tenders.

The actual results in terms of revenue and EBIT may differ substantially from the forecasted figures if new risk factors occur or assumptions about planning prove to be incorrect.



IMPORTANT BUSINESS TRANSACTIONS IN THE THIRD QUARTER 2024

CONSOLIDATED INCOME STATEMENT

from 1 January 2024 to 30 September 2024 (IFRS) with comparative values (unaudited)

EUR'000	01/07 to 30/09/2024	01/07 to 30/09/2023	01/01 to 30/09/2024	01/01 to 30/09/2023
Revenue	63,632	53,410	178,124	143,038
Cost of sales	-41,385	-33,735	-117,245	-91,924
Gross profit	22,247	19,675	60,879	51,114
Sales and marketing expenses	-7,472	-5,729	-21,852	-18,685
General administrative expense	-7,176	-5,853	-19,979	-17,214
Research and development expenses	-3,842	-3,283	-9,829	-9,542
Other operating income	561	849	2,299	2,222
Other operating expenses	-128	-161	-405	-269
Foreign currency gains and losses	817	2	617	-479
Earnings before interest and taxes (EBIT)	5,007	5,500	11,730	7,147
Interest income	52	64	311	196
Interest expenses	-834	-588	-1,976	-1,188
Earnings before taxes (EBT)	4,225	4,976	10,065	6,155
Income taxes	-904	-1,218	-2,155	-1,154
Net profit	3,321	3,758	7,910	5,001
thereof attributable to equity holders of parent company	3,323	3,701	8,139	5,040
thereof non-controlling interests	-2	57	-229	-39
Earnings and diluted earnings per share in EUR	0.34	0.37	0.82	0.51
Average number of floating shares	9,876,143	9,889,894	9,916,315	9,883,254

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

from 1 January 2024 to 30 September 2024 (IFRS) with comparative values (unaudited)

EUR'000	01/07 to 30/09/2024	01/07 to 30/09/2023	01/01 to 30/09/2024	01/01 to 30/09/2023
Net income	3,321	3,758	7,910	5,001
Items to be reclassified to the income statement:				
Net gains (+) / losses (-) on currency translation	-2,659	2,515	-155	2,016
Total other comprehensive Income	-2,659	2,515	-155	2,016
Total comprehensive Income	662	6,273	7,755	7,017
thereof attributable to equity holders of the parent company	664	6,216	7,984	7,056
thereof non-controlling interests	-2	57	-229	-39



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CONSOLIDATED BALANCE SHEET

as of 30 September 2024 (IFRS) with comparative values (unaudited)

EUR'000	30/09/2024	30/09/2023	31/12/2023
Cash and cash equivalents	37,713	32,300	27,303
Marketable securities and bonds	30	28	30
Trade accounts receivable	35,426	38,715	43,496
Contract assets	39,016	21,663	21,560
Receivables from related companies	7	36	0
Inventories	58,708	49,178	49,275
Income tax receivable	438	1,927	1,440
Other current assets	5,525	5,382	4,766
Current assets, total	176,863	149,229	147,870
Property, plant and equipment and right-of-use assets	69,730	64,891	64,055
Investment property	1,332	1,336	1,351
Goodwill and other intangible assets	55,626	34,201	37,982
Interests in associated companies	634	634	777
Deferred tax assets	3,093	5,470	4,826
Other non-current assets	2,340	3,491	3,617
Non-current assets, total	132,755	110,023	112,608
Assets, total	309,618	259,252	260,478
Bank loans	49,176	24,886	19,665
Trade accounts payable	11,554	6,615	11,961
Contract liabilities	25,928	11,016	16,364
Advance payments received	1,578	3,538	3,117
Income tax payable	0	2,799	3,616
Provisions	5,301	6,204	4,009
Lease liabilities	4,949	3,717	3,752
Other liabilities	15,972	20,555	15,923
Current liabilities, total	114,458	79,330	78,407
Bank loans	31,794	28,698	25,680
Deferred tax liabilities	7,640	5,584	6,297
Pensions accrued and similar obligations	8,508	7,802	7,636
Provisions	2,052	2,094	1,705
Lease liabilities	23,510	20,759	20,187
Other non-current liabilities	128	196	0
Non-current liabilities, total	73,632	65,133	61,505
Liabilities, total	188,090	144,463	139,912
Attributable to equity holders of the parent company			
Subscribed capital	10,040	10,040	10,040
Additional paid-in capital	5,936	5,817	6,879
Treasury shares	-4,463	-5,359	-5,441
Surplus reserves and consolidated unappropriated profit	107,458	96,981	106,159
Other reserves	2,378	6,907	2,521
	121,349	114,386	120,158
Non-controlling interests	179	403	408
Shareholders' equity, total	121,528	114,789	120,566
Liabilities and shareholders' equity, total	309,618	259,252	260,478



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CONSOLIDATED CASHFLOW STATEMENT

from 1 January 2024 to 30 September 2024(IFRS) with comparative values (unaudited)

EUR '000	01/01 to 30/09/2024	01/01 to 30/09/2023
Cash flow from operating activities		
Net income	7,910	5,001
Depreciation	9,655	8,390
Result on the disposal of fixed assets	22	-8
Change in provisions and accruals	43	-265
Change in inventories	-7,260	-6,835
Change in trade accounts receivable and contract assets	-8,945	-9,851
Change in other assets, not provided by / used in investing or financing activities	2,344	-1,717
Change in trade accounts payable	-1,189	-3,562
Change in advanced payments received and contract liabilities	7,769	3,547
Change in other liabilities, not provided by / used in investing or financing activities	-4,236	-489
Amount of other non-cash income and expenses	1,914	1,834
Net cash from operating activities	8,027	-3,955
Cash flow from investing activities		
Payments received on disposal of tangible fixed assets	67	328
Investments in property, plant and equipment	-4,749	-2,940
Investments in other intangible assets	-7,658	-3,921
Investment in subsidiaries less acquired cash	-7,136	-1,072
Investment in associated companies	143	144
Securities	2	0
Net cash flows used in investing activities	-19,331	-7,461
Cash flow from financing activities		
Dividend paid out	-6,913	-6,920
Payments received from equity contributions	0	245
Cash payments for purchase of treasury shares	0	-1,874
Payments received from bank loans	44,856	32,214
Redemption of bank loans	-12,691	-16,665
Payment of repayment portion of lease liabilities	-3,308	-3,238
Interest payment from lease liabilities	-306	-187
Net cash flows used in financing activities	21,638	3,575
Net effects of currency translation and consolidation changes in cash and cash equivalents	76	91
Decrease in cash and cash equivalents	10,410	-7,750
Cash and cash equivalents at the beginning of the period	27,303	40,050
Cash and cash equivalents at the end of the period	37,713	32,300

1) Presentation has been changed from the previous year. In the previous year the figures were shown as a single item.

FINANCIAL CALENDAR 2024/2025

Q4

13 November

Publication Quarterly Statement 3/2024

25-26 November

Equity Forum in Frankfurt / One-on-one meetings

26 November 10:05 am CEST

Presentation room New York

Q1

20 March

Publication Annual Report 2024

Q2

15 May

Publication Quarterly Statement Q1/2025

22 May

Shareholders' Meeting 2025 in Karlsruhe

Q3

14 August

Publication Half-Year Financial Report 2025



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IMPRINT

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