



# INTRODUCING AN INDUSTRIAL APP STORE

Report on the 1<sup>st</sup> Quarter of 2022

PSI 

**PSI Group Data as per 31 March 2022 at a Glance (IFRS)**

	01/01-31/03/22 in KEUR	01/01-31/03/21 in KEUR	Change in KEUR	Change in %
Revenues	58,695	56,138	+2,557	+4.6
Operating Result	3,723	4,351	-628	-14.4
Result before income taxes	3,414	4,236	-822	-19.4
Net result	2,570	3,139	-569	-18.1
Cash and cash equivalents	67,838	54,111	+13,727	+25.4
Employees on 31 March	2,182	2,086	+96	+4.6
Revenue/Employee	26.9	26.9	+0.0	+0.0

# Interim Management Report

## Business Development

### Earnings

The PSI Group improved sales in the first quarter of 2022 by 4.6% to 58.7 million euros (Mar. 31, 2021: 56.1 million euros). Due to the shift of almost 3 million euros in license orders from March to the second quarter, the operating result (EBIT) of 3.7 million euros was 14.4% below the previous year's value (Mar. 31, 2021: 4.35 million euros), and the group net income decreased accordingly to 2.6 million euros (Mar. 31, 2021: 3.1 million euros). At 99 million euros, new orders were 5.7% lower than in the prior-year quarter (Mar. 31, 2021: 105 million euros) due to order deferrals. At 202 million euros, the order book volume at March 31, 2022 was slightly higher than a year earlier (March 31, 2021: 197 million euros).

The Energy Management segment (energy grids, energy trading, public transport) achieved 9.5% higher sales of 31.9 million euros in the first quarter (March 31, 2021: 29.1 million euros) and a roughly constant operating result of 1.6 million euros (March 31, 2021: 1.65 million euros). The Network business invested heavily in functions for sector coupling as well as charging management and won further orders from major distribution network and traction power customers. In public transport, the good order trend continued, and the gas networks business was largely able to compensate for the loss of the Russian business with orders from existing German customers.

Sales in the Production Management segment (metals, industry, logistics) in the first three months were 3.4% below the previous year's figure at 26.1 million euros (March 31, 2021: 27.0 million euros). The operating profit of the segment decreased to 2.5 million euros (March 31, 2021: 3.0 million euros) due to postponed license orders. In particular, European customers in the target sectors automotive and metals were concerned about energy price increases, inflation and embargoes, while the metals business won further major orders in the US. In the logistics business and in Poland, PSI increased new orders and continued to invest in the development of the multi-cloud app store business with customers and partners.

## **Financial Position**

Cash flow from operating activities of 4.9 million was 60% below the figure for the same quarter of the previous year (March 31, 2021: 12.1 million euros). Cash and cash equivalents of 67.8 million euros (March 31, 2021: 54.1 million euros) will be used for the proposed dividend payment and for seasonal sales financing.

## **Assets**

Compared to 31 December 2021, there have not been any material changes in the Group's assets.

## **Personnel Development**

The number of employees in the Group increased to 2,182 (March 31, 2021: 2,086) thanks to targeted new hires in Germany, Poland and the US.

## **PSI-Shares**

The PSI stock ended the 1<sup>st</sup> quarter of 2022 with a final price of 38.80 euros 16.2% below the final 2021 price of 46.30 euros. In the same period, the technology index TecDAX recorded a decline of 15.8%.

## **Risk Report**

The estimate of the corporate risk has not changed since the Annual Report for 31 December 2021.

## **Outlook**

PSI is winding down its business in Russia as quickly as possible, with staff reduced or outsourced from 68 to 2 (managing directors). Among other things, a new order for 4.5 million euros was rejected. To help Ukrainian refugees, PSI immediately donated over 100,000 euros, procured relief supplies and granted employees special leave.

PSI continued its investments in the Group platform and the PSI App Store unabated in the first quarter. This means that the first PSI platform products are delivered not only On Premise or in the PSI Cloud, but also in private clouds of our Group customers. After delivery, customers, partners and PSI consultants can adapt the software products to the customer's business processes at runtime with intuitive workflow, dialog design tools, and update them later via upgrades.

After the inflation and war shock in the first quarter, the uncertainty of customers is now calming down, so that PSI expects postponed orders from the steel and automotive industries for the second quarter and has already received some of them. In the Energy segment, demand continues to grow due to the ongoing electrification trend and the integration of ever-greater shares of renewable energy into the power grids. The PSI Executive Board therefore continues to aim for an increase in new orders and sales of more than 10% and in the operating result of just under 20% for 2022.

# Group Balance Sheet

from 1 January 2022 until 31 March 2022 according to IFRS

	3 Month Report 01/01-31/03/22 KEUR	Annual Report 01/01-31/12/21 KEUR
<b>Assets</b>		
<b>Non current assets</b>		
Intangible assets	69,619	70,024
Property, plant and equipment	36,593	38,027
Investments in associates	694	694
Deferred tax assets	9,590	10,293
	<b>116,496</b>	<b>119,038</b>
<b>Current assets</b>		
Inventories	7,393	6,861
Net trade receivables	38,775	35,183
Receivables from long-term development contracts	51,629	48,440
Other assets	9,298	5,667
Income tax receivables	921	725
Cash and cash equivalents	67,838	67,478
Assets held for sale	730	730
	<b>176,584</b>	<b>165,084</b>
<b>Total assets</b>	<b>293,080</b>	<b>284,122</b>
<b>Total Equity and Liabilities</b>		
<b>Equity</b>		
Subscribed capital	40,185	40,185
Capital reserves	35,137	35,137
Reserve for treasury shares	-436	702
Other reserves	-22,588	-23,394
Retained earnings	64,657	62,087
	<b>116,955</b>	<b>114,717</b>
<b>Non-current liabilities</b>		
Pension provisions and similar obligations	52,674	53,123
Deferred tax liabilities	7,977	8,553
Other liabilities	637	637
Provisions	2,336	2,336
Lease liabilities	16,204	18,055
Financial liabilities	2,458	2,875
	<b>82,286</b>	<b>85,579</b>
<b>Current liabilities</b>		
Trade payables	14,454	18,504
Other liabilities	29,150	32,634
Provisions	2,051	2,029
Liabilities from long-term development contracts and deferred revenue	40,857	23,692
Lease liabilities	6,630	6,103
Financial liabilities	697	864
	<b>93,839</b>	<b>83,826</b>
<b>Total equity and liabilities</b>	<b>293,080</b>	<b>284,122</b>

# Group Income Statement

from 1 January 2022 until 31 March 2022 according to IFRS

	3 Month Report 01/01-31/03/22 KEUR	3 Month Report 01/01-31/03/21 KEUR
Sales revenues	58,695	56,138
Other operating income	3,707	2,835
Cost of materials	-6,690	-4,598
Personnel expenses	-42,480	-39,487
Depreciation and amortization	-3,251	-2,993
Other operating expenses	-6,258	-7,544
<b>Operating result</b>	<b>3,723</b>	<b>4,351</b>
Interest and similar income	83	-115
Interest expenses	-392	
<b>Result before income taxes</b>	<b>3,414</b>	<b>4,236</b>
Income tax	-844	-1,097
<b>Net result</b>	<b>2,570</b>	<b>3,139</b>
Earnings per share (in Euro per share, basic)	0.16	0.20
Earnings per share (in Euro per share, diluted)	0.16	0.20
Weighted average shares outstanding (basic)	15,680,773	15,679,838
Weighted average shares outstanding (diluted)	15,680,773	15,679,838

# Group comprehensive Income Statement

from 1 January 2022 until 31 March 2022 according to IFRS

	3 Month Report 01/01-31/03/22 KEUR	3 Month Report 01/01-31/03/21 KEUR
<b>Net result</b>	<b>2,570</b>	<b>3,139</b>
Currency translation of foreign operations	806	331
Actuarial gains / losses	0	0
Income tax effects	0	0
<b>Group comprehensive result</b>	<b>3,376</b>	<b>3,470</b>

# Group Cash Flow Statement

from 1 January 2022 until 31 March 2022 according to IFRS

	3 Month Report 01/01-31/03/22 KEUR	3 Month Report 01/01-31/03/21 KEUR
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>		
<b>Result before income taxes</b>	<b>3,414</b>	<b>4,236</b>
<b>Adjustments for non-cash expenses</b>		
Amortisation of intangible assets	845	642
Depreciation of property, plant and equipment	847	872
Amortization of right-of-use	1,559	1,479
Interest income	-20	-8
Interest expenses	316	186
Other non-cash income/expenses	3	0
	<b>6,964</b>	<b>7,407</b>
<b>Changes of working capital</b>		
Inventories	-320	-1,804
Trade receivables and receivables from long-term development contracts	-4,074	-11,404
Other current assets	-2,638	-4,194
Provisions	-380	-575
Trade payables	-2,433	-1,285
Other non-current and current liabilities	8,232	24,114
	<b>5,351</b>	<b>12,259</b>
Interest paid	-121	-10
Income taxes paid	-378	-199
<b>Cash flow from operating activities</b>	<b>4,852</b>	<b>12,050</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>		
Additions to intangible assets	-225	-413
Additions to property, plant and equipment	-719	-814
Interest received	20	8
<b>Cash flow from investing activities</b>	<b>-924</b>	<b>-1,219</b>
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/repayments from/of borrowings	-584	4,319
Repayments of lease liabilities	-1,577	-1,463
Interest paid on leases	-84	-109
Outflows for share buybacks	-1,141	0
<b>Cash flow from financing activities</b>	<b>-3,386</b>	<b>2,747</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		
<b>Changes in cash and cash equivalents</b>	<b>542</b>	<b>13,578</b>
Valuation-related changes in cash and cash equivalents	-182	51
Cash and cash equivalents at beginning of the period	67,478	40,482
Cash and cash equivalents at the end of the period	67,838	54,111



# Statement of Changes in Equity

from 1 January 2022 until 31 March 2022 according to IFRS

	Number of shares issued	Share capital	Additional paid-in capital	Reserve for treasury stock	Other reserves	Accumulated results	Total
	Number	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
<b>As of 1 January 2021</b>	15,679,838	40,185	35,137	80	-26,033	50,954	100,323
Group comprehensive result after tax					2,639	15,837	18,476
Share buybacks	-5,647			-158			-158
Issue of treasury shares	17,536			780			780
Dividends paid						-4,704	-4,704
<b>As of 1 January 2022</b>	15,691,727	40,185	35,137	702	-23,394	62,087	114,717
Group comprehensive result after tax					806	2,570	3,376
Share buybacks	-31,999			-1,141			-1,141
Issue of treasury shares	51			3			3
<b>As of 31 March 2023</b>	15,659,779	40,185	35,137	-436	-22,588	64,657	116,955

## Shares held by Management Board and Supervisory Board as of 31 March 2022

	Shares on 31/03/2022	Shares on 31/03/2021
<b>Management Board</b>		
Gunnar Glöckner	0	-
Dr, Harald Schrimpf	62,000	62,000
<b>Supervisory Board</b>		
Andreas Böwing	0	0
Elena Günzler	1,994	1,962
Prof, Dr, Uwe Hack	600	600
Prof, Dr, Wilhelm Jaroni	0	0
Uwe Seidel	465	433
Karsten Trippel	111,322	111,322

# Notes on the consolidated financial statements as of 31 March 2022

## The Company

### 1. Business Activities and Legal Background

The business activities of PSI Software AG and its subsidiaries relate to the development and sale of software systems and products fulfilling the specific needs and requirements of its customers, particularly in the following industries and service lines: utilities, manufacturing, logistics and transportation. In addition, the Group provides services of all kinds in the field of data processing, sells electronic devices and operates data processing systems.

The PSI Group is structured into the core business segments energy management and production management. The company is listed in the Prime Standard segment of the Frankfurt stock exchange.

The company is exposed to a wide range of risks that are similar to other companies active in the dynamic technology sector. Major risks for the development of the PSI Group lie in the success with which it markets its software systems and products, competition from larger companies, the ability to generate sufficient cash flows for future business development as well as in individual risks regarding the integration of subsidiaries, organisational changes and the cooperation with strategic partners.

The condensed interim consolidated financial statements for the period from 1 January 2022 to 31 March 2022 were released for publication by a decision of the management on 25 April 2022.

The condensed interim consolidated financial statements for the period from 1 January 2022 to 31 March 2022 were produced in compliance with IAS 34 "Interim Financial Reporting". The condensed interim consolidated financial statements do not contain all the data and notes prescribed for the annual financial statements and should be read in conjunction with the consolidated financial statements for 31 December 2021.

## 2. Accounting and Valuation Principles

With regard to the principles of accounting and valuation and especially the application of International Financial Reporting Standards (IFRS) see the group consolidated financial statements for the financial year 2021, with the exception of the information provided in the section "Segment reporting".

## 3. Seasonal Influences on the Business Activities

Seasonal effects resulted in the PSI Group operations with regards to the receipt of maintenance revenues in the first quarter of the financial year (deferment of the influences on the result of corresponding incoming payments throughout the year) and significantly greater demand and project accounting in the fourth quarter of the financial year.

## 4. Changes in the Consolidation Group

Compared to 31 December 2021 there were no changes in the consolidation group.

## 5. Selected Individual Items

### Cash and cash equivalents

	31 March 2022 KEUR	31 December 2020 KEUR
Bank balances	65,999	65,565
Fixed term deposits	1,809	1,884
Cash	30	29
	<b>67,838</b>	<b>67,478</b>

### Receivables from long-term development contracts, liabilities from long-term development contracts and deferred revenue

Costs and estimated earnings in excess of billings on uncompleted contracts arise when revenues have been recorded but the amounts cannot be billed under the terms of the contracts. Such amounts are recognized according to various performance criteria. Costs and estimated earnings contain directly allocable costs (labour cost and cost of services provided by third parties) as well as the appropriate portion of overheads including pro rata administrative expenses.

Liabilities and receivables according to the percentage-of-completion method break down as follows:

	31 March 2022 KEUR	31 December 2020 KEUR
Receivables from long-term development contracts (gross)	149,079	137,008
Payments on account	-97,450	-88,568
<b>Receivables from long-term development contracts</b>	<b>51,629</b>	<b>48,440</b>
Payments on account (gross)	109,317	101,417
Set off against contract revenue	-97,450	-88,568
<b>Liabilities from long-term development contracts</b>	<b>11,867</b>	<b>12,849</b>
Deferred revenue	28,990	10,843
<b>Liabilities from long-term development contracts</b>	<b>40,857</b>	<b>23,692</b>

### Sales revenues

The sales revenues reported in the group income statement break down as follows:

	31 March 2022 KEUR	31 March 2021 KEUR
Software development	30,229	27,781
Maintenance	21,908	20,955
License fees	2,777	5,177
Merchandise	3,781	2,225
	<b>58,695</b>	<b>56,138</b>

### Taxes on income

The main components of the income tax expenditure shown in the group income statement are added as follows:

	31 March 2022 KEUR	31 March 2021 KEUR
<b>Effective taxes expenses</b>		
Effective tax expenses	-717	-404
<b>Deferred taxes</b>		
Emergence and reversal of temporary differences	-127	-693
<b>Tax expenses</b>	<b>-844</b>	<b>-1,097</b>

## Segment Reporting

The development of the segment results can be found in the Group segment reporting. The PSI Group is structured into the core business segments energy management and production management.

The Executive Board of PSI decided in the first quarter of 2022 as part of a regular review of the Group's risk profile to include a new segment in internal reporting. As this operating segment differs significantly in its risk profile from the main business areas of Energy Management and Production Management, but is not of a significant size, the segment was not included as a reporting segment in the external reporting and was combined with the effects in the "Reconciliation" column. The previous year's figures have not been adjusted.

## Group Segment Reporting

from 1 January 2022 until 31 March 2022 according to IFRS

	Energy Management		Production Management		Reconciliation		PSI Group	
	31/03/ 2022 TEUR	31/03/ 2021 TEUR	31/03/ 2022 TEUR	31/03/ 2021 TEUR	31/03/ 2022 TEUR	31/03/ 2021 TEUR	31/03/ 2022 TEUR	31/03/ 2021 TEUR
<b>Sales revenues</b>								
Sales to external customers	31,856	29,097	26,125	27,041	714	0	58,695	56,138
Inter-segment sales	775	822	4,230	3,771	-5,005	-4,593	0	0
<b>Segment revenues</b>	<b>32,631</b>	<b>29,919</b>	<b>30,355</b>	<b>30,812</b>	<b>-4,291</b>	<b>-4,593</b>	<b>58,695</b>	<b>56,138</b>
<b>Operating result before interest, tax, depreciation and amortisation</b>	<b>3,151</b>	<b>3,217</b>	<b>4,171</b>	<b>4,368</b>	<b>-348</b>	<b>-241</b>	<b>6,974</b>	<b>7,344</b>
<b>Operating result before depreciation and amortisation resulting from purchase price allocation</b>	<b>1,748</b>	<b>1,815</b>	<b>2,631</b>	<b>2,987</b>	<b>-389</b>	<b>-265</b>	<b>3,990</b>	<b>4,537</b>
Depreciation and amortisation resulting from purchase price allocation	-148	-165	-119	-21	0	0	-267	-186
<b>Operating result</b>	<b>1,600</b>	<b>1,650</b>	<b>2,512</b>	<b>2,966</b>	<b>-389</b>	<b>-265</b>	<b>3,723</b>	<b>4,351</b>
Net finance result	-48	-72	-69	-43	-192	0	-309	-115
<b>Result before income taxes</b>	<b>1,552</b>	<b>1,578</b>	<b>2,443</b>	<b>2,923</b>	<b>-581</b>	<b>-265</b>	<b>3,414</b>	<b>4,236</b>

## **Responsibility Statement**

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

## **Financial Calendar**

29 March 2022	Publication of Annual Result 2021
29 March 2022	Analyst Conference
28 April 2022	Report on the 1 <sup>st</sup> Quarter of 2022
19 May 2022	Annual General Meeting (virtual Meeting)
28 July 2022	Report on the 1 <sup>st</sup> Six Months of 2022
28 October 2022	Report on the 3rd Quarter of 2022
28 to 30 November 2022	German Equity Forum, Analyst Presentation

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