

Industrial Artificial Intelligence

Pioneering a Smarter World

Report on the 1st Quarter of 2024

PSI 

PSI Group Data as per 31 March 2024 at a Glance (IFRS)

	01/01-31/03/24 in KEUR	01/01-31/03/23 in KEUR	Change in KEUR	Change in %
Revenues	50,268	58,230	-7,962	-13.7
Operating Result	-14,788	4,008	-18,796	>100
Result before income taxes	-15,438	3,548	-18,986	>100
Net result	-16,410	3,282	-19,692	>100
Cash and cash equivalents	62,818	61,018	+1,800	+3.0
Employees on 31 March	2,335	2,257	+78	+3.5
Revenue/Employee	21.5	25.8	-4.3	-16.6

Interim Management Report

Business Development

Earnings

PSI Group achieved 13.7% lower sales of 50.3 million euros in the first quarter of 2024 (March 31, 2023: 58.2 million euros). The operating result (EBIT) was negatively impacted by the cyberattack in February 2024 and was clearly negative at -14.8 million euros (March 31, 2023: 4.0 million euros). The consolidated result was correspondingly -16.4 million euros (March 31, 2023: 3.3 million euros). Incoming orders fell by 19.5% year-on-year to 95 million euros as a result of the cyberattack (March 31, 2023: 118 million euros). The order backlog at March 31, 2024 was on a par with the previous year at 212 million euros (March 31, 2023: 212 million euros).

The Energy Management segment (energy grids, energy trading, public transport) achieved 19.3% lower sales of 23.8 million euros (March 31, 2023: 29.4 million euros) and a significantly lower operating result of -11.1 million euros (March 31, 2023: 0.7 million euros). With the exception of the PSI subsidiary in Southeast Asia, all of the segment's business units were severely affected by the cyberattack from mid-February onwards.

Sales in the Production Management segment (metals, industry, logistics) decreased by 8.0% to 26.5 million euros (March 31, 2023: 28.8 million euros). The segment's operating result deteriorated to -2.9 million euros (March 31, 2023: 3.9 million euros). Although all Production Management business units were also affected by the cyberattack, the impact on sales and earnings was lower than in Energy Management due to the more product-based business.

Financial Position

Cash flow from operating activities improved by 25% year-on-year to 15.9 million euros (March 31, 2023: 12.7 million euros). At 62.8 million euros, cash and cash equivalents were 1.8 million euros higher than in the previous year (March 31, 2023: 61.0 million euros).

Assets

Compared to 31 December 2023, there have not been any material changes in the Group's assets.

Personnel Development

The number of employees in the Group increased slightly to 2,335 (March 31, 2023: 2,257).

PSI-Shares

The PSI stock ended the first quarter of 2024 with a final price of 23.00 euros, 9.1% below the final 2023 price of 25.30 euros. In the same period, the technology index TecDAX recorded an increase of 3.5%.

Risk Report

The estimate of the corporate risk has not changed since the Annual Report for 31 December 2023.

Outlook

PSI Group was the target of a cyberattack in February 2024. The majority of the PSI Group's IT systems were taken offline and had to be shut down. PSI Group was temporarily only able to carry out central activities of its business model to a limited extent. In the meantime, productive operations have been largely resumed since the beginning of May. In the course of the restart, further measures were adopted which will significantly increase the security of the IT systems as part of a revised IT strategy.

As already announced at the beginning of June, the Executive Board expects, taking into account the negative effects of the cyberattack, a reduction in sales of around 20 to 30 million euros and a negative operating result in the upper single-digit to lower double-digit million range for the full year.

Group Balance Sheet

from 1 January 2024 until 31 March 2024 according to IFRS

	3 Month Report 01/01-31/03/24 KEUR	Annual Report 01/01-31/12/23 KEUR
Assets		
Non current assets		
Intangible assets	71,883	73,112
Property, plant and equipment	37,236	37,429
Investments in associates	693	693
Deferred tax assets	7,495	8,133
	117,307	119,367
Current assets		
Inventories	8,230	4,977
Net trade receivables	37,756	48,315
Receivables from long-term development contracts	53,259	49,552
Other assets	10,252	6,135
Income tax receivables	4,004	4,332
Cash and cash equivalents	62,818	50,475
	176,319	163,786
Total assets	293,626	283,153
Total Equity and Liabilities		
Equity		
Subscribed capital	40,185	40,185
Capital reserves	35,137	35,137
Reserve for treasury shares	-4,698	-4,698
Other reserves	-18,902	-18,544
Retained earnings	43,236	59,646
	94,958	111,726
Non-current liabilities		
Pension provisions and similar obligations	42,706	42,958
Deferred tax liabilities	4,156	4,803
Other liabilities	534	534
Provisions	1,032	1,032
Lease liabilities	17,408	17,918
Financial liabilities	12,312	13,189
	78,148	80,434
Current liabilities		
Trade payables	25,357	18,864
Other liabilities	30,384	32,801
Provisions	3,402	3,017
Liabilities from long-term development contracts and deferred revenue	50,718	26,289
Lease liabilities	7,001	6,581
Financial liabilities	2,505	2,118
Liabilities in connection with discontinued assets	1,153	1,323
	120,520	90,993
Total equity and liabilities	293,626	283,153

Group Income Statement

from 1 January 2024 until 31 March 2024 according to IFRS

	3 Month Report 01/01-31/03/24 KEUR	3 Month Report 01/01-31/03/23 KEUR
Sales revenues	50,268	58,230
Other operating income	1,187	6,688
Cost of materials	-7,748	-5,690
Personnel expenses	-46,774	-43,464
Depreciation and amortization	-3,585	-3,680
Other operating expenses	-8,136	-8,076
Operating result	-14,788	4,008
Interest and similar income	135	131
Interest expenses	-785	-591
Result before income taxes	-15,438	3,548
Income tax	-1,141	-588
Result after income taxes from continuing operations	-16,579	2,960
Result after income taxes from discontinued operations	169	322
Net result	-16,410	3,282
Earnings per share (in Euro per share, basic and diluted)	-1.06	0.21
Profit attributable to shareholders from continuing operations	-1.07	0.19
Profit attributable to shareholders from discontinued operations	0.01	0.02
Weighted average shares outstanding	15,487,995	15,487,995

Group comprehensive Income Statement

from 1 January 2024 until 31 March 2024 according to IFRS

	3 Month Report 01/01-31/03/24 KEUR	3 Month Report 01/01-31/03/23 KEUR
Net result	-16,410	3,282
Currency translation of foreign operations	-358	-380
Actuarial gains / losses	0	0
Income tax effects	0	0
Group comprehensive result	-16,768	2,902

Group Cash Flow Statement

from 1 January 2024 until 31 March 2024 according to IFRS

	3 Month Report 01/01-31/03/24 KEUR	3 Month Report 01/01-31/03/23 KEUR
CASHFLOW FROM OPERATING ACTIVITIES		
Result before income taxes	-15,269	3,870
Adjustments for non-cash expenses		
Amortisation of intangible assets	975	1,000
Depreciation of property, plant and equipment	873	976
Amortization of right-of-use	1,737	1,704
Income and expenses from asset disposals	0	-18
Interest income	-135	-131
Interest expenses	468	590
Other non-cash income/expenses	-169	-322
	-11,520	7,669
Changes of working capital		
Inventories	-3,252	-2,067
Trade receivables and receivables from long-term development contracts	6,850	1,920
Other current assets	-3,788	-5,243
Provisions	-252	-566
Trade payables	6,491	-4,724
Other non-current and current liabilities	22,124	17,122
	16,653	14,111
Income taxes paid	-798	-1,453
Cash flow from operating activities	15,855	12,658
CASHFLOW FROM INVESTING ACTIVITIES		
Additions to intangible assets	-53	-206
Additions to property, plant and equipment	-719	-120
Interest received	135	131
Cash flow from investing activities	-637	-195
CASHFLOW FROM FINANCING ACTIVITIES		
Proceeds/repayments from/of borrowings	-659	4,968
Repayments of lease liabilities	-1,801	-1,680
Interest paid on leases	-201	-128
Interest paid	-185	-59
Cash flow from financing activities	-2,846	3,101
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
Changes in cash and cash equivalents	12,372	15,564
Valuation-related changes in cash and cash equivalents	-29	10
Cash and cash equivalents at beginning of the period	50,475	45,444
Cash and cash equivalents at the end of the period	62,818	61,018

Statement of Changes in Equity

from 1 January 2024 until 31 March 2024 according to IFRS

	Number of shares issued	Share capital	Additional paid-in capital	Reserve for treasury stock	Other reserves	Accumulated results	Total
		KEUR	KEUR		KEUR	KEUR	KEUR
As of 1 January 2023	15,487,995	40,185	35,137	-4,698	-17,102	65,517	119,039
Group comprehensive result after tax					-1,442	324	-1,118
Dividends paid						-6,195	-6,195
As of 31 December 2023	15,487,995	40,185	35,137	-4,698	-18,544	59,646	111,726
Group comprehensive result after tax					-358	-16,410	-16,768
As of 31 March 2024	15,487,995	40,185	35,137	-4,698	-18,902	43,236	94,958

Shares held by Management Board and Supervisory Board as of 31 March 2024

	Shares on 31/03/2024	Shares on 31/03/2023
Executive Board		
Gunnar Glöckner	0	0
Robert Kläffus	54	-
Dr. Harald Schrimpf	-	63,500
Supervisory Board		
Andreas Böwing	0	0
Elena Günzler	2,022	2,022
Prof. Dr. Uwe Hack	600	600
Prof. Dr. Wilhelm Jaroni	0	0
Uwe Seidel	493	493
Karsten Trippel	117,322	115,322

Notes on the consolidated financial statements as of 31 March 2024

The Company

1. Business Activities and Legal Background

The business activities of PSI Software SE 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 2024 to 31 March 2024 were released for publication by a decision of the management on 28 August 2024.

The condensed interim consolidated financial statements for the period from 1 January 2024 to 31 March 2024 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 2023.

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 2023.

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. Significant Events

PSI Group was the target of a cyberattack in February 2024. The majority of the PSI Group's IT systems were taken offline and had to be shut down. PSI Group was temporarily only able to carry out central activities of its business model to a limited extent. In the meantime, productive operations have been largely resumed since the beginning of May. In the course of the restart, further measures were adopted which will significantly increase the security of the IT systems as part of a revised IT strategy.

5. Changes in the Consolidation Group

Compared to 31 December 2023 there were no changes in the consolidation group.

6. Selected Individual Items

Cash and cash equivalents

	31 March 2024 KEUR	31 December 2023 KEUR
Bank balances	58,447	47,712
Fixed term deposits	4,341	2,739
Cash	30	24
	62,818	50,475

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 2024 KEUR	31 December 2023 KEUR
Receivables from long-term development contracts (gross)	132,014	125,701
Payments on account	-78,755	-76,149
Receivables from long-term development contracts	53,259	49,552
Payments on account (gross)	96,929	94,676
Set off against contract revenue	-78,755	-76,149
Liabilities from long-term development contracts	18,174	18,527
Deferred revenue	32,544	7,762
Liabilities from long-term development contracts	50,718	26,289

Sales revenues

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

31 March 2024	Energy	Production	
KEUR	Management	Management	Total
Software development at fixed price	4,428	3,907	8,335
Software development, time and material	807	9,526	10,333
Maintenance	11,568	11,641	23,209
License fees	774	1,281	2,055
Merchandise	6,188	148	6,336
Total	23,765	26,503	50,268

31 March 2023	Energy	Production	
KEUR	Management	Management	Total
Software development at fixed price	9,561	5,490	15,051
Software development, time and material	4,087	9,090	13,177
Maintenance	11,721	11,074	22,795
License fees	818	2,823	3,641
Merchandise	3,250	316	3,566
Total	29,437	28,793	58,230

Taxes on income

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

	31 March 2024	31 March 2023
	KEUR	KEUR
Effective taxes expenses		
Effective tax expenses	-1,149	-1,650
Deferred taxes		
Emergence and reversal of temporary differences	8	1,062
Tax expenses	-1,141	-588

Segment Reporting

The development of the segment results can be seen in the Group segment reporting.

Segments of the PSI Group:

- Energy management: Intelligent solutions for network operators in the fields of electricity, gas, district heating and pipelines as well as for public transport, Focal points are reliable and economically sound control system solutions for intelligent energy grid management and the safe operation of traffic infrastructures as well as trade and sales management in the liberalized energy market,
- Production Management: Software products and solutions for production planning, optimization and control as well as efficient logistics, Focuses are the optimization of the use of resources and the increase of efficiency, quality and profitability,

Group Segment Reporting

from 1 January 2024 until 31 March 2024 according to IFRS

	Energy Management		Production Management		Reconciliation		PSI Group	
	31/03/ 2024 KEUR	31/03/ 2023 KEUR	31/03/ 2024 KEUR	31/03/ 2023 KEUR	31/03/ 2024 KEUR	31/03/ 2023 KEUR	31/03/ 2024 KEUR	31/03/ 2023 KEUR
Sales revenues								
Sales to external customers	23,765	29,437	26,503	28,793	0	0	50,268	58,230
Inter-segment sales	682	791	553	4,755	-1,235	-5,546	0	0
Segment revenues	24,447	30,228	27,056	33,548	-1,235	-5,546	50,268	58,230
Operating result before interest, tax, depreciation and amortization	-9,249	2,447	-1,368	5,649	-586	-408	-11,203	7,688
Operating result before depreciation and amortization resulting from purchase price allocation	-10,945	835	-2,808	3,969	-801	-529	-14,554	4,275
Depreciation and amortization resulting from purchase price allocation	-115	-148	-119	-119	0	0	-234	-267
Operating result	-11,060	687	-2,927	3,850	-801	-529	-14,788	4,008
Net finance result	-417	-237	-43	-155	-190	-68	-650	-460
Result before income taxes	-11,477	450	-2,970	3,695	-991	-597	-15,438	3,548

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

4 June 2024	Publication of Annual Result 2023
4 June 2024	Analyst Conference
26 July 2024	Annual General Meeting
30 August 2024	Report on the 1 st Quarter of 2024
6 September 2024	Report on the 1 st Six Months of 2024
17 September 2024	Capital Market Day
31 October 2024	Report on the 3 rd Quarter of 2024
25 to 27 November 2024	German Equity Forum, Analyst Presentation

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We will be happy to include you in our distribution list for stockholder information.

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