



## IMPORTANT BUSINESS TRANSACTIONS IN THE FIRST QUARTER 2025



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The first quarter of 2025 was characterised by a high degree of uncertainty as a result of the ongoing conflicts in the Middle East and Ukraine and the constantly changing political environment. The latter was particularly true of the two core markets of init innovation in traffic systems SE (“init” or “init group”), Germany and North America. The situation in Germany was marked by new elections and the subsequent coalition negotiations, while the US government developed new trade regulations, which ultimately led to the introduction of so-called reciprocal tariffs on 2 April 2025. Following initial euphoria surrounding the outlook for the US economy and the subsequent rise in the US dollar, the currency has declined significantly since the beginning of the year. In its updated World Economic Outlook published in April, the International Monetary Fund (IMF) spoke of a series of unprecedented shocks.

Against this backdrop, the IMF, like many other institutions and associations, sees significantly reduced predictability in the behaviour of key political players and thus greater uncertainty in economic forecasts. According to the IMF, this uncertainty will have a significant impact on the global economy. In its April reference forecast, the IMF therefore lowered its growth outlook for 2025 to 2.8 per cent, down from 3.3 per cent in January. The outlook for 2026 has also been downgraded, from 3.3 per cent to 3.0 per cent. Expectations for the current year in the US were revised down particularly sharply, by 0.9 percentage points



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to 1.8 per cent. The IMF also downgraded its expectations for the eurozone, cutting its GDP growth forecast for 2025 by 0.2 percentage points to 0.8 per cent, and even expects the German economy to stagnate. The IMF is therefore calling for clarity and coordination: countries should work together constructively to support a stable trading environment and enable debt reduction. At the same time, the IMF believes that countries should address structural imbalances in their domestic economies. The IMF continues to see central banks' priorities as fine-tuning monetary policy to ensure price and financial stability in an environment of heightened uncertainty, with more difficult trade-offs between growth and inflation control.

In addition to these macroeconomic conditions, there have also been changes in political priorities with regard to public transport in init's core markets. Although the coalition agreement of the new German government provides for considerable investment in public transport via the infrastructure fund that has been set up, it is currently understood that these funds will mainly be used to improve the rail infrastructure. At the same time, the funding of the "Deutschland-Ticket" (travel on public transport and regional railways in Germany) has been confirmed, as has the further expansion of climate-neutral bus fleets. Last but not least, the financing of public transport is to be reformed. In the United States, too, the new administration has shifted priorities, although the specific consequences for public transport funding are still unclear.

This shift in priorities, combined with the expectation of rising prices due to the tariff situation, is leading to uncertainty in our customers' spending behaviour. In view of its very good order backlog, init currently considers itself well positioned, but is closely monitoring market developments and is also stepping up its market development activities outside its core markets.

### Orders

In the first quarter 2025, init received new orders totalling EUR 75.7m (Q1 2024: EUR 256.1m). Order intake is therefore significantly below the all-time high previous year's figure, which comprised of both mega projects iBus NextGen London and AFC2.0 for MARTA, Atlanta.

The order backlog as of 31 March 2025 amounts to around EUR 375m and is also below the previous year's figure of approximately EUR 385m.

### 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.

During the first quarter of 2025, init generated revenues of EUR 70.4m (Q1 2024: EUR 50.5m). Revenue was about EUR 20.0m higher than the previous year's figure. Thereof EUR 4.7m are generated by the DILAX group, who was first time consolidated in third quarter 2024. In addition, major projects in North America made a significant contribution to the increase in revenue. Conversely, revenue declined slightly at the smaller entities due to the high level of uncertainty.



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

in million EUR	01/01-31/03/2025	%	01/01-31/03/2024	%
Germany	22.5	32.0	18.6	36.8
Rest of Europe	17.7	25.1	10.7	21.2
North America	26.3	37.4	16.9	33.5
Other countries (Australia, UAE)	3.9	5.5	4.3	8.5
<b>Total</b>	<b>70.4</b>	<b>100.0</b>	<b>50.5</b>	<b>100.0</b>

Revenues based on customer's location.

**Gross profit** amounted to EUR 23.5m and is well above previous year's figure (Q1 2024: EUR 17.9m). At around 33 per cent, the gross margin has decreased compared to previous year (Q1 2024: around 35 per cent). This is mainly due to the business mix with a higher portion of large-scale projects, particularly in North America. In addition, effects from underutilisation of smaller entities had an impact on gross profit.

**Sales and administrative expenses** have increased by EUR 4.4m to EUR 17.1m compared to the previous year (Q1 2024: EUR 12.6m). About one third of the increase is caused by the consideration of the DILAX group. The additional costs are due to increased headcount, especially in sales, and to salary adjustments made in the previous year.

In total **research and development expenses** have increased to EUR 7.4m (previous year: EUR 5.3m), including the services for internally developed software of EUR 2.8m (previous year: EUR 2.2m) which were capitalised in line with the 2024 financial statements. Expenses of EUR 4.6m were recognised in the income statement (Q1 2024: EUR 3.1m). Thereof EUR 0.7m are contributed by DILAX group consolidated for the first time.

**Foreign exchange losses** increased in the reporting period (EUR 0.5m; previous year: foreign exchange gains EUR 0.8m). This position mainly includes unrealized gains and losses on the valuation of receivables and liabilities in foreign currencies, primarily in relation to the US Dollar.

**Earnings before interest and taxes (EBIT)** of EUR 2.0m was below the previous year's figure (Q1 2024: EUR 3.7m). In addition to the expected negative contribution from the DILAX group in the quarter, this is due to the developments described above. Main drivers are the under-proportional development of gross profit, the unfavourable foreign exchange results and the increase in research and development expenses.

**Net interest income** (balance of interest income and interest expense) amounted to EUR -0.7m and was below previous year's level (Q1 2024: EUR -0.3m). The increase is mainly caused by financing the acquisition of the DILAX group.

**Consolidated net profit** amounted to EUR 1.4m as of 31 March 2025 and is below the previous year's figure, mainly due to the lower operating earnings (Q1 2024: EUR 2.3m). Earnings per share amount to EUR 0.16 (Q1 2024: EUR 0.24).

**Total comprehensive income** amounted to EUR -0.6m (Q1 2024: EUR 3.5m). The decrease is a result of the lower consolidated net profit as well as from losses from currency translation.

**Cash flow from operating activities** amounted to EUR 15.5m (Q1 2024: EUR 7.5m) and was significantly higher than the previous year's figure. This was mainly due to a positive contribution from working capital items – primarily from an increase in contract liabilities as a result of the expected payments of large-scale projects in North America.



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**Cash flow from investing activities** amounted to EUR -4.1m (Q1 2024: EUR -2.6m) 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 133.4m as of 31 March 2025 (31 March 2024: EUR 124.1m) due to the total comprehensive income carried forward in 2024. Compared to the end of the 2024 financial year, equity decreased due to the negative total comprehensive income in the first quarter (31 December 2024: EUR134.3 m).

**The equity ratio** as of 31 March 2025 amounted to 41.6 per cent (31 March 2024: 44.8 per cent) and was below the level of previous year. Compared to the end of the 2024 financial year the equity ratio also decreased, caused by the increase in total assets combined with a decrease in equity (31 December 2024: 42.9 per cent).

## Personnel

On average, the init group employed 1,535 people in the first three months of 2025 (Q1 2024: 1,244 ), including temporary staff, research assistants and graduands. There was also an increase in the number of part-time employees. In the first quarter of 2025, 267 employees were employed on a part-time basis (Q1 2024: 214).

### Number of employees by region:

	31/03/2025	31/03/2024
Germany	1,188	970
Rest of Europe	148	98
North America	172	152
Other countries	27	24
<b>Total</b>	<b>1,535</b>	<b>1,244</b>

## Opportunities and risks

All identifiable risks are regularly analysed and appropriate measures are introduced or precautions taken. In our opinion, there are still no risks that could risk the going concern of the company.

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 2024 on pages 56 et seqq. and in particular from p. 63 et seq. onwards. The opportunities and risks described in the Annual Report 2024 essentially continue to exist unchanged.

However, it should be noted that, in line with the IMF's perspective (see above), the init still sees considerable uncertainties regarding the development in the coming months, which could have a particular impact on the awarding of contracts in tenders. Similarly, further changes in the trade policy environment, particularly in the behaviour of the US government with regard to its tariff policy, could also have adverse effects on init's earnings. The high level of volatility makes planning and forecasting significantly more difficult.



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### Forecast and outlook

The key figures for the first quarter of 2025 are broadly 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 300m – 330m** and operating earnings before interest and taxes **(EBIT) of EUR 30m - 33m**.

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

### Additional information

This quarterly statement and the information contained therein are unaudited.



## IMPORTANT BUSINESS TRANSACTIONS IN THE FIRST QUARTER 2025

# CONSOLIDATED INCOME STATEMENT

from 1 January 2025 to 31 March 2025 (IFRS) with comparative values (unaudited)

EUR '000	01/01 to 31/03/2025	01/01 to 31/03/2024
Revenues	70,407	50,453
Cost of sales	-46,878	-32,549
<b>Gross profit</b>	<b>23,529</b>	<b>17,904</b>
Sales and marketing expenses	-8,443	-6,838
General administrative expense	-8,619	-5,810
Research and development expenses	-4,608	-3,063
Other operating income	792	840
Other operating expenses	-157	-109
Foreign currency gains and losses	-503	755
<b>Earnings before interest and taxes (EBIT)</b>	<b>1,991</b>	<b>3,679</b>
Interest income	77	156
Interest expenses	-741	-485
<b>Earnings before taxes (EBT)</b>	<b>1,327</b>	<b>3,350</b>
Income taxes	51	-1,032
<b>Net profit</b>	<b>1,378</b>	<b>2,318</b>
thereof attributable to equity holders of parent company	1,563	2,402
thereof non-controlling interests	-185	-84
Earnings and diluted earnings per share in EUR	0.16	0.24
Average number of floating shares	9,881,804	9,844,993

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

from 1 January 2025 to 31 March 2025 (IFRS) with comparative values (unaudited)

EUR '000	01/01 to 31/03/2025	01/01/ bis 31/03/2024
<b>Net profit</b>	<b>1,378</b>	<b>2,318</b>
<b>Items to be reclassified to the income statement:</b>		
Net gains (+) / net losses (-) on currency translation	-1,991	1,174
<b>Total other comprehensive income</b>	<b>-1,991</b>	<b>1,174</b>
<b>Total comprehensive income</b>	<b>-613</b>	<b>3,492</b>
Thereof attributable to equity holders of the parent company	-428	3,576
Thereof non-controlling interests	-185	-84



## IMPORTANT BUSINESS TRANSACTIONS IN THE FIRST QUARTER 2025

# CONSOLIDATED BALANCE SHEET

as of 31 March 2025 (IFRS) with comparative values (unaudited)

EUR '000	31/03/2025	31/03/2024	31/12/2024
Cash and cash equivalents	26,058	39,108	23,523
Marketable securities and bonds	27	28	30
Trade accounts receivable	48,690	32,774	47,803
Future receivables from production orders from PoC method	43,952	28,558	39,929
Receivables from related parties	3	29	40
Inventories	54,974	54,271	57,213
Income tax receivable	2,183	0	2,753
Other assets	8,087	5,263	6,674
<b>Current assets, total</b>	<b>183,974</b>	<b>160,031</b>	<b>177,965</b>
Property, plant and equipment	69,594	66,932	70,912
Investment property	1,122	1,349	1,124
Goodwill	13,326	12,488	13,326
Other intangible assets	45,528	26,844	44,105
Interests in associated companies	929	778	929
Deferred tax assets	3,622	4,738	2,538
Other assets	2,198	3,783	2,133
<b>Non-current assets, total</b>	<b>136,319</b>	<b>116,912</b>	<b>135,067</b>
<b>Assets, total</b>	<b>320,293</b>	<b>276,943</b>	<b>313,032</b>
Bank loans	34,445	29,722	39,418
Trade accounts payable	9,148	8,138	13,580
Accounts payable from PoC method	36,660	20,790	20,392
Advance payments received	5,312	5,233	1,597
Income tax payable	1,467	2,404	3,615
Provisions	3,853	4,191	4,319
Lease liabilities	5,232	4,095	5,020
Other liabilities	21,600	15,784	19,661
<b>Current liabilities, total</b>	<b>117,717</b>	<b>90,357</b>	<b>107,602</b>
Bank loans	28,151	23,479	29,973
Deferred tax liabilities	8,120	6,383	7,440
Pensions accrued and similar obligations	7,806	7,787	7,807
Provisions	1,938	1,679	1,748
Lease liabilities	23,210	23,174	24,150
<b>Non-current liabilities, total</b>	<b>69,225</b>	<b>62,502</b>	<b>71,118</b>
<b>Liabilities, total</b>	<b>186,942</b>	<b>152,859</b>	<b>178,720</b>
Attributable to equity holders of the parent company			
Subscribed capital	10,040	10,040	10,040
Additional paid-in capital	6,144	5,949	7,734
Treasury stock	-2,262	-4,463	-4,463
Surplus reserves and consolidated unappropriated profit	116,401	108,539	115,798
Other reserves	3,086	3,694	5,076
	<b>133,409</b>	<b>123,759</b>	<b>134,185</b>
Non-controlling interests	-58	325	127
<b>Shareholders' equity, total</b>	<b>133,351</b>	<b>124,084</b>	<b>134,312</b>
<b>Liabilities and shareholders' equity, total</b>	<b>320,293</b>	<b>276,943</b>	<b>313,032</b>



## IMPORTANT BUSINESS TRANSACTIONS IN THE FIRST QUARTER 2025

# CONSOLIDATED CASHFLOW STATEMENT

*from 1 January 2025 to 31 March 2025 (IFRS) with comparative values (unaudited)*

EUR '000	01/01 to 31/03/2025	01/01 to 31/03/2024
<b>Cash flow from operating activities</b>		
Net income	1,378	2,318
Amortisation and depreciation	4,032	2,963
Gains on the disposal of fixed assets	-80	6
Change in provisions and accruals	-232	286
Change in inventories	1,412	-4,686
Change in trade accounts receivable and future receivables from production orders	-6,550	4,567
Change in other assets, not provided by / used in investing or financing activities	-1,023	821
Change in trade accounts payable	-4,097	-4,267
Change in advanced payments received and liabilities from PoC method	20,794	6,369
Change in other liabilities, not provided by / used in investing or financing activities	446	-1,604
Amount of other non-cash income and expenses	-537	730
<b>Net cash from operating activities</b>	<b>15,543</b>	<b>7,503</b>
<b>Cash flow from investing activities</b>		
Payments received on disposal of property, plant and equipment	96	46
Investments in property, plant and equipment	-1,265	-484
Investments in other intangible assets	-2,898	-2,194
Cash paid/received for financial assets	0	9
Payments received on disposal of marketable securities	2	2
Capital contributions and loans to associated companies	0	-1
<b>Net cash flows used in investing activities</b>	<b>-4,065</b>	<b>-2,622</b>
<b>Cash flow from financing activities</b>		
Payments received from bank loans incurred	7,603	10,728
Redemption of bank loans	-14,397	-2,871
Payment of principal on lease liabilities	-1,267	-1,015
Change in current and non-current lease liabilities	-129	-86
<b>Net cash flows used in financing activities</b>	<b>-8,190</b>	<b>6,756</b>
Net effects of currency translation and consolidation changes in cash and cash equivalents	-753	168
<b>Changes in cash and cash equivalents</b>	<b>2,535</b>	<b>11,805</b>
Cash and cash equivalents at the beginning of the period	23,523	27,303
<b>Cash and cash equivalents at the end of the period</b>	<b>26,058</b>	<b>39,108</b>





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# IMPRINT

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## FINANCIAL CALENDAR 2025

**Q2**

22 May

Shareholders' Meeting 2025 in Karlsruhe

**Q3**

14 August

Publication Half-year Financial Report 2025

**Q4**

13 November

Publication Quarterly Statement 3/2025

24-25 November

Equity Forum