—— Transforming. Creating Value.

PSI Annual Report **2024**

PSI

—— PSI — Intelligent Software for Sustainable Energy Supply, Production and Logistics

PSI software products stand for safe, environmentally friendly and efficient energy supply and optimized production and logistics worldwide.

As an independent software producer, PSI has been a technological leader in process control systems for energy grid operation and industrial production since 1969. PSI's industry-specific software products ensure the efficient use of energy, labor and materials. PSI has been combining artificial intelligence techniques with other industrially proven optimization methods for decades.

In grid and energy management, PSI products support electricity and gas grids, heating, cooling and water networks and energy trading. In process industry and metals production, PSI software optimizes the supply chain and the production process. In manufacturing industry, PSI products ensure efficiency in vehicle production and mechanical engineering. PSI logistics solutions are used for the analysis, planning and optimization of supply chains as well as warehousing and transport processes. The innovative industry products can be operated on premises or in the cloud.

Contents

—— Transforming. Creating Value.

All around the world, entire industries are currently undergoing a massive transformation. Megatrends such as decarbonization, increasing competitive pressure, political uncertainty, digitalization and the triumph of artificial intelligence are not only shaping PSI's target markets but also changing our own business. With our products, we support our customers in overcoming these challenges on the basis of industrial artificial intelligence. Our own transformation into a cloud-first software company is improving our efficiency and resilience. This is creating the basis for significant international growth.

Transforming. Creating Value.

An Overview in Figures

17
countries
around the world have PSI locations

1,800
customers on four continents

2,400
employees
from 35 nations

48%
of revenues from
international business

4
international
hubs

3
successful
proof-of-concept projects
for the cloud transformation

106
billion euros
of market potential
in the industrial software market

PSI Group in Figures

in EUR million	2024	2023	Change in %
Revenues	260.8	269.9	–3.4
Operating result	–15.2	5.6	> 100
Earnings before taxes	–17.9	3.0	> 100
Group net result	–21.0	0.3	> 100
Equity	95.4	111.7	–14.6
Equity ratio (in %)	34.8	39.5	–11.9
Return on equity (in %)	–22.0	0.3	>100
Investments*	7.7	7.7	0.0
Research and development expenses	45.6	43.5	4.8
Research and development ratio (in %)	17.5	16.1	8.7
New orders	257	297	–13.5
Order backlog on December 31	152	170	–10.6
Employees on December 31 (number)	2,434	2,310	5.4

* Company acquisitions, intangible assets, property, plant and equipment

Our Business Units

Grid & Energy Management

Smart solutions for network operators in the electricity, gas, oil and water sectors. The focus is on state-of-the-art grid control systems and energy trading software for the grid and energy market.

in EUR thousand	2024
Revenues	115,647
Operating result	–14,797

Process Industries & Metals

Software products and solutions for production management that bundle supply chain management, advanced planning and scheduling and manufacturing execution systems in a cloud-enabled platform.

in EUR thousand	2024
Revenues	65,719
Operating result	1,218

Discrete Manufacturing

Enterprise Resource Planning System and cloud-based Manufacturing Execution System for the control and optimization of production processes in the manufacturing industry.

in EUR thousand	2024
Revenues	29,979
Operating result	386

Logistics

Logistics software for the analysis, planning and optimization of supply chains as well as warehouse and transport management systems for logistics service providers, retail, industry and airport logistics.

in EUR thousand	2024
Revenues	31,424
Operating result	721

—— Interview with the Executive Board

Robert Klaffus, 45
Chief Executive Officer

Responsibilities:
Strategy, Marketing, Sales,
Product Management, Technology and IT

Gunnar Glöckner, 54
Chief Financial Officer

Responsibilities:
Organization, Human Resources, Finance/Controlling,
Investor Relations and Sustainability (ESG/CSR)

Although many changes had already occurred in 2023, the 2024 financial year presented even greater challenges due to the cyberattack on PSI. Looking back on the past year, what conclusions do you draw?

Gunnar Glöckner: In February 2024, we were the victim of a cyber-attack that caused us to shut down all internal IT systems. We also partially suspended business operations in order to ensure that there were no security risks for customers when the IT systems were restarted. This resulted in a loss of revenues and we were burdened with additional costs. However, thanks to the great commitment of all employees, we have now been able to overcome these economic difficulties.

Robert Klaffus: Our communication was always transparent and we disclosed the measures we used to restore and harden our IT systems. This enabled us to convince all of our customers to continue their successful business relationships. We are now once again concentrating on the operational challenges and opportunities. After losing time due to the attack, we have been rapidly pushing ahead with the implementation of our new “PSI reloaded” strategy since the third quarter of 2024.

What are the key points of the revised strategy?

Robert Klaffus: The focus is on international growth and improving the business model so that we can achieve recurring revenues with high margins. To this end, we will increasingly become a provider of cloud services and software as a service (SaaS). This requires investment in products, cloud capacities, technology, partnerships and expertise. However, these will already have a positive impact in the form of efficiency gains during the transformation process.

How much progress did you make in this regard in 2024?

Gunnar Glöckner: With the merger of the German subsidiaries, we have simplified the Group structures. Specifically, we have further streamlined them by bundling our activities into four business units. This applies to the bundling of energy-related activities in the new Grid & Energy Management business unit in particular. We have established cross-sector functions and harmonized processes across all business units. In this way, we have created the conditions for significant increases in efficiency. The sale of the Mobility unit was an important step toward focusing our business.

What does the cloud and SaaS transformation mean for PSI and its customers?

Robert Klaffus: The trend toward intensified cloud use has increased massively in recent years and affects both our customers and ourselves. The cloud offers major advantages over traditional on-premises infrastructures, particularly in terms of scalability, flexibility and security. In conjunction with SaaS, it makes it easier for new customers to get started and for new functions or upgrades to be rolled out. PSI will initially offer the Manufacturing Execution System for the discrete manufacturing industry and the Warehouse Management System as SaaS solutions.

How do you see the Company developing in the future? What can customers, partners, shareholders and employees expect from PSI in the years ahead?

Robert Klaffus: The major order from our long-standing customer E.ON confirms our strategy: With the development of our new generation of control systems, we intend to redefine the technology of tomorrow's grid management while relying on proven functions.

“With simplified Group structures we have created the conditions for significant increases in efficiency.”

Gunnar Glöckner
Chief Financial Officer

We have taken the first successful steps toward the cloud and SaaS transformation of our business model and have gained a strategic partner in Google Cloud. Together with our focus on industrial artificial intelligence, we want to grow strongly, especially internationally, with our first cloud and SaaS-based products.

Gunnar Glöckner: From 2025, our new reporting segments and additional key figures for measuring PSI performance will enable us to report on the implementation of our strategic goals in a much more transparent manner than before. The broader international

“We want to grow strongly, especially internationally, with our first cloud and SaaS-based products.”

Robert Klaffus
Chief Executive Officer

positioning and the higher proportion of recurring revenues will improve our resilience and the reliability of our forecasts. Sustainability and corporate social responsibility (CSR) will also play a greater role in our reporting. In doing so, we will focus on pragmatically reporting relevant topics.

Robert Klaffus: A very important part of the transformation is the corporate culture. This is linked to our conviction that change does not stop at the end of one or more transformation phases. We will therefore continuously scrutinize our market and competitive position and adapt to the relevant developments accordingly. At the end of the current transformation cycle, PSI will be significantly stronger in the market. We will also achieve a significantly higher proportion of recurring revenues and be much better positioned internationally. We are confident that we will achieve these goals with a stable shareholder base, long-standing loyal customers and partners and a committed corporate team.

Creating Value

1 **PSI is a leading global provider of industrial software with a loyal customer base.**

2 **PSI combines AI methods with process knowledge to create market-leading, industry-specific software products.**

3 **PSI is growing with solutions for the digitalization and decarbonization of the energy, industry and logistics sectors.**

4 **PSI software supports the sustainability goals of customers in the energy, industry and logistics sectors.**

Report by the Supervisory Board

Dear PSI shareholders, dear friends and partners of our company,

For PSI Software SE, the 2024 financial year was shaped by both the cyberattack in February and the implementation of the “PSI reloaded” strategy program. The Supervisory Board’s work therefore focused on dealing with the consequences of the cyberattack and its impact on the Group’s economic situation, implementing the specific transformation steps on the way to becoming a modern, integrated software company and appointing new members to the Supervisory Board following the departure of two long-serving members of the body.

In accordance with the law, the Company’s Articles of Association and the German Corporate Governance Code, we monitored and supported the Executive Board in its management of the Company and advised it on corporate governance issues. The Executive Board regularly provided us with comprehensive information on the situation of PSI Software SE in a timely manner, both verbally and in writing. On this basis, we discussed business performance and decisions in detail. As a result of the cyberattack, we stepped up our monitoring and support of the Executive Board due to the significance of the incident and its economic impact. The Executive Board fully met its obligations to provide the Supervisory Board with information.

The Supervisory Board ensured that the law, the Articles of Association and the rules of procedure of the Supervisory Board and the Executive Board were complied with. It passed the resolutions required by the law and the Articles of Association. When business trans-

Professor Dr. Uwe Hack
Chairman of the Supervisory Board

actions required the Supervisory Board's approval, it discussed them in depth with the Executive Board before passing a resolution. Cooperation between the Supervisory Board and the Executive Board was always constructive and purposeful.

The Chairman of the Supervisory Board was also in regular contact with the Executive Board outside of Supervisory Board meetings and was informed about the business situation and material business transactions. The consultation between him and the Executive Board members was ongoing and extensive. The Supervisory Board Chairman shared the material information from each of these exchanges with the other members of the Supervisory Board.

Main Areas of Discussion for the Supervisory Board

In the performance of its monitoring function, the Supervisory Board's discussions included the following main topics:

– the development of the material economic key figures of the PSI Group and the individual business units;

– the supervision of the measures relating to the emergency operation, forensic processing and restarting of IT systems following the February 2024 cyberattack;

– supporting the organizational changes introduced as part of the strategic change program “PSI reloaded,” in particular the merger of the German subsidiaries into PSI Software SE and the bundling of the Group’s energy-related activities in the new Grid & Energy Management business unit;

- supporting the structured sales process for the Mobility division as part of the focus on industrial software for the areas of grid and energy management, industry and logistics;
- supporting the strategic planning process for the period 2025 to 2028.

Another focus of the Supervisory Board’s work in 2024 was the appointment of two new Supervisory Board members after both Supervisory Board member Andreas Böwing and long-serving Supervisory Board Chairman Karsten Trippel did not stand for a further term of office. The Supervisory Board would like to thank Mr. Böwing and especially Mr. Trippel, who has been a member of the Supervisory Board since 2002 and has played a decisive role in shaping PSI as Chairman since 2016 with great personal commitment, for their many years of dedication.

Supervisory Board Meetings and Key Topics

The Supervisory Board held 17 ordinary Supervisory Board meetings in 2024 to perform its duties. Nine of these meetings were held in person and eight as video conferences. Mr. Böwing was unable to attend the meeting on March 21, 2024 due to illness, and Dr. Wittenberg was not present at the Annual General Meeting on July 26, 2024. The Supervisory Board was in full attendance at all other meetings.

February 27, 2024
Meeting on the cyberattack on PSI

March 21, 2024
Meeting in accordance with FISG requirements

March 22, 2024
Meeting on the cyberattack on PSI

May 16, 2024
Update on the cyberattack and initial preparations for the Annual General Meeting

June 3, 2024
Adoption of the 2023 annual financial statements

June 25, 2024
Meeting on the impact of the cyberattack

July 4, 2024
Constituent meeting of the temporarily court-appointed Supervisory Board

July 16, 2024
Exchange between the Supervisory Board and the SE Works Council

July 17, 2024
Preparation for the Annual General Meeting

July 26, 2024
Annual General Meeting and constituent meeting of the Supervisory Board

September 2, 2024
Discussion of strategic bottom-up planning

September 12, 2024
Resolution on strategic planning and preparation of the Capital Market Day

October 10, 2024
Discussion of Group strategy

October 11, 2024
Presentation of the managers of the new central CEO functions

October 28, 2024
Discussion of the financial statements of the third quarter 2024

December 9, 2024
Discussion of the planning for 2025 and election of the members of the Audit Committee and the Chairman of the Audit Committee

December 10, 2024
Audit of the Supervisory Board’s work

In addition to the financial performance of PSI Software SE and the Group, the Supervisory Board also dealt with the development of the individual business units. The focus here was on bundling the energy-related activities in the new Grid & Energy Management business unit and on further organizational changes as part of the strategy process. The Supervisory Board was also provided with detailed information from the Executive Board on an ongoing basis regarding the development of the business and financial situation, the risk situation, the market and competitive situation and the personnel situation in these areas.

Work of the Supervisory Board Committees

The Supervisory Board has formed two committees.

The Personnel Committee deals with the employment contracts and personnel matters of the Executive Board. The committee met twice in the financial year with full attendance. A particular focus of the committee's activities was the further development of the remuneration system for the Executive Board.

The Audit Committee is particularly concerned with issues relating to the selection of the auditor, accounting, the internal control system and risk management. The committee met five times in 2024, with one meeting serving to prepare the adoption of the annual financial statements and the approval of the consolidated financial statements. All five meetings were attended by all committee members.

Corporate Governance

As in previous years, the Executive Board and the Supervisory Board monitored the Group’s compliance with the rules of the German Corporate Governance Code. The Supervisory Board adopted the declaration of compliance according to section 161 of the German Stock Corporation Act on December 30, 2024. The Company fulfills the majority of the Code’s recommendations. The few deviations are also explained in the corporate governance declaration, which has been published on the website at **www.psi.de.**

The Supervisory Board examined the efficiency of its own work again at an audit meeting in 2024.

In the 2025 financial year, the Company's corporate governance will once again be an important aspect of the work of the Supervisory Board and its committees. As in previous years, the Supervisory Board will focus on the ongoing refinement of its skills profile and on sustainability aspects.

Composition of the Supervisory Board and its Committees

In the 2024 financial year, the Supervisory Board consisted of the shareholder representatives Karsten Trippel (until July 26, 2024, Chairman until July 26, 2024), Prof. Dr. Uwe Hack (Chairman since July 26, 2024), Prof. Dr. Ulrich Wilhelm Jaroni (Deputy Chairman), Andreas Böwing (until July 26, 2024), Dr. Patrick Wittenberg (since July 26, 2024), Dr. Georg Tacke (since November 4, 2024) and the employee representatives Elena Günzler and Uwe Seidel. The Personnel Committee comprised the Supervisory Board members Karsten Trippel as Chairman (until July 26, 2024), Prof. Dr. Ulrich Wilhelm Jaroni (Chairman since July 26, 2024), Prof. Dr. Uwe Hack and Elena Günzler; the Audit Committee comprised the Supervisory Board members Prof. Dr. Uwe Hack (Chairman until December 9, 2024), Dr. Georg Tacke (Chairman since December 9, 2024), Andreas Böwing (until July 26, 2024), Prof. Dr. Ulrich Wilhelm Jaroni, Uwe Seidel, Karsten Trippel (until July 26, 2024) and Dr. Patrick Wittenberg (since July 26, 2024).

Audit of Annual and Consolidated Financial Statements

At the Annual General Meeting of PSI Software SE on July 26, 2024, RSM Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft was selected as the auditor of the financial statements. This company audited the annual financial statements, the management report, the consolidated financial statements and the consolidated management report for the financial year from January 1 to December 31, 2024, and issued an unqualified audit opinion in each case.

All Supervisory Board members received the financial statements and management reports, the auditor's reports and the Executive Board's proposal on the appropriation of net profit after they were compiled and in due time ahead of the meeting convened to approve the annual accounts. After preparatory discussion by the Audit Committee, the Supervisory Board as a whole dealt with these documents at its meeting on March 26, 2025. These meetings were attended by members of the Executive Board and representatives of the auditor. The latter reported on the audit in general, the audit priorities set, the material findings of the audit and the services that the auditor provided in addition to the audit services, and they also answered the Supervisory Board members' questions. There were no objections from the Supervisory Board, which therefore acknowledged and approved the results of the audit.

The Supervisory Board examined the consolidated financial statements and consolidated management report and the annual financial statements and management report for 2024 as well as the results of the audit by the auditor. In accordance with the conclusive findings of these examinations, it raised no objections and adopted the annual financial statements and approved the consolidated financial statements on March 26, 2025.

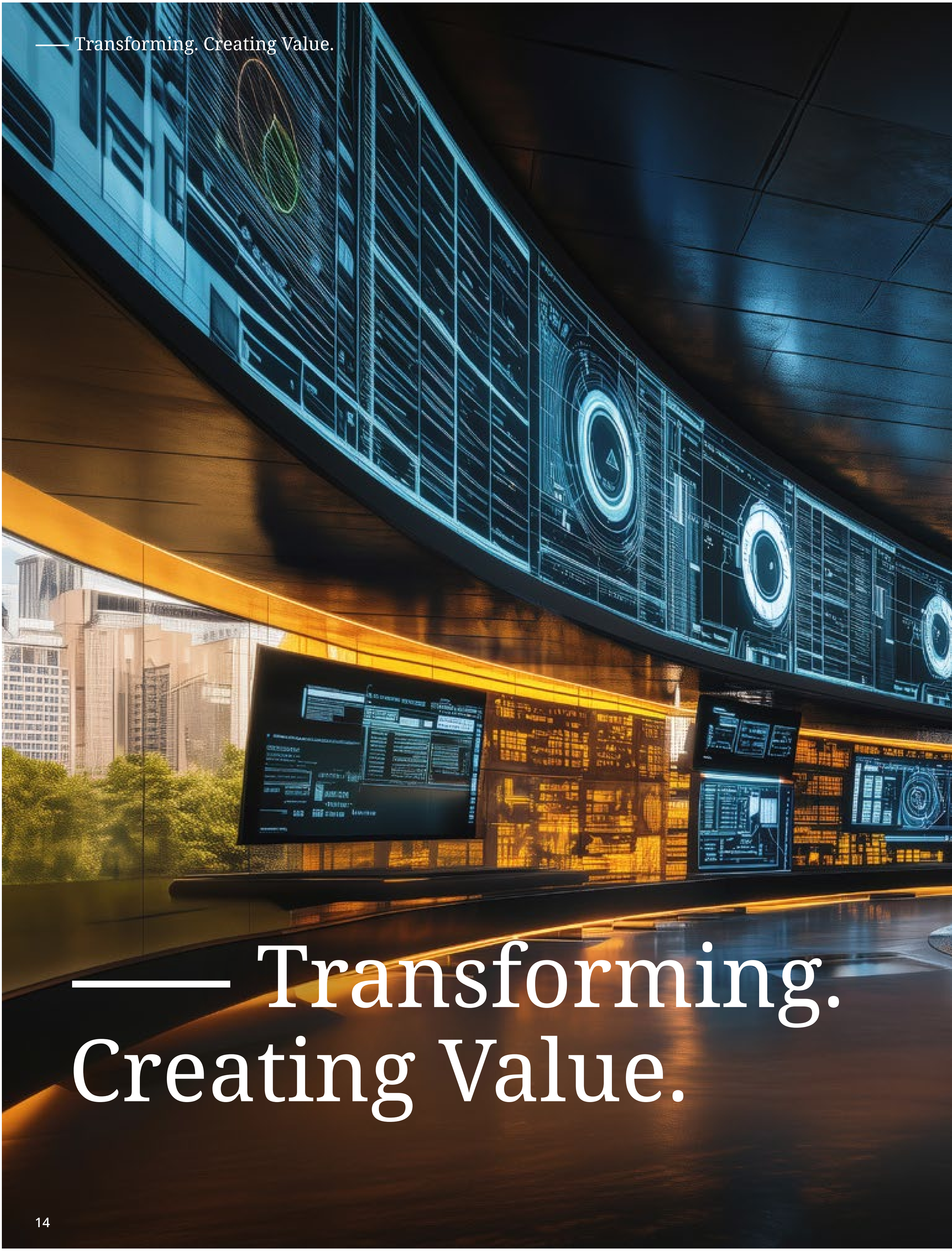
In addition, the Supervisory Board also reviewed the Executive Board's (separate) non-financial report for the Company and the Group for 2024 and discussed it with the Executive Board at the meeting on March 26, 2025. As there were no objections to be raised, the Supervisory Board also approved the non-financial report.

Following the cyberattack in February 2024, PSI was only able to carry out central activities of the business model to a limited extent, which led to a drop in new orders, revenues and a significantly negative result. Following the resumption of productive operations, business normalized over the course of the second half of the year, so that a positive operating result was achieved again from the third quarter onwards. Despite the difficult situation, important new customers and follow-up orders from existing customers were also acquired in 2024 for exports and in Germany. The high level of commitment shown by the Executive Board, management and employees in the face of the cyberattack deserves recognition and respect. The Supervisory Board would like to thank all employees for their hard work and extraordinary commitment.

The Supervisory Board would like to thank customers and shareholders for the trust they have shown in 2024 despite the cyberattack. The measures adopted during the restart of the IT systems will significantly increase the security of the IT systems for customers and PSI as part of a revised IT strategy. PSI will remain a reliable partner for customers in the future, supporting them with market-leading functions and advanced products to meet their challenges. This is the prerequisite for a return to growth and a sustainable increase in shareholder value.

Berlin, March 2025

Prof. Dr. Uwe Hack
Chairman of the Supervisory Board



Transforming. Creating Value.

Our software keeps the world running.
Sustainably, resiliently and efficiently.

Shaping the Cloud and the SaaS Transformation

Cloud-based solutions offer numerous advantages over the traditional operation of in-house IT infrastructures. In addition to economic benefits, this primarily relates to enhanced security, which is why cloud solutions are finding their way into more and more areas.

One of the economic advantages of using cloud infrastructures is the shorter time to market for software products thanks to rapid provision in the cloud. This means that innovations can be offered and tested directly and easily, which significantly reduces the risks for providers and users. This applies in particular to software-as-a-service contracts. In addition, the use of software products from the cloud offers advantages in terms of scalability and flexibility, as the resources used can be expanded quickly if required. Cloud environments also offer advantages in terms of security and data availability due to their comprehensive security and centralized administration. Storing data in the cloud, together with backup and restore functions, can help to prevent data loss in an emergency.

As part of the “PSI reloaded” corporate strategy, PSI has set the course for its transformation into a cloud-first company with a growing software-as-a-service revenue share and a focus on industrial artificial intelligence. In 2024, we began to take the necessary steps and invest heavily in products, cloud capacities, technology and expertise. In the coming years, this will pay off in the form of improved efficiency and greater resilience in all processes, an improved sales mix and accelerated international growth.

The most important advantages of cloud infrastructures

Companies can access resources in the cloud without having to operate their own infrastructure.

- Shorter time to market
- Scalability and flexibility
- Advanced security
- Protection against data loss

—— Software as a Service Offers Our Customers Many Advantages

The global market for software as a service (SaaS) has been growing at around 20% per year for some time. Growth is forecast to accelerate in the coming years. This trend offers many advantages for both customers and software solution providers. SaaS solutions do not require a high initial investment in the software, and customers can start using the software without extensive installation and integration. Maintenance and updates are significantly simplified as the SaaS provider can supply regular updates and new functions without the need for a manual process.

> "With a strong position in the domestic market, PSI has the potential to achieve significant growth, especially internationally."

As SaaS applications can be used flexibly from the cloud, they can be used regardless of location or even on the move. Cloud and SaaS offerings therefore also support the trend toward mobile, location-independent work. For a software provider like PSI, a SaaS offering also makes it easier to tap into new international markets, as the customer does not have to launch an integration project to gain initial experience with the PSI software. This allows growth to be at least partially decoupled from the availability of specialists and also improves the ability to plan budgets for both customers and PSI.

PSI began preparing the first product lines for a SaaS offering in 2024, initially focusing on the Warehouse Management System and the Manufacturing Execution System. Acceptance of SaaS offerings is already high in these markets, and PSI also has a clear competitive advantage here thanks to the integration of industrial artificial intelligence into its products. PSI thus has the potential to achieve significant growth, especially internationally, starting from a strong position in the domestic market, and to make the business more profitable by focusing on the cloud, SaaS and industrial AI. For applications in the area of critical infrastructures or for customers who want to operate their business-critical applications themselves, PSI continues to offer installation in the customer's data center or private cloud, thus flexibly covering all customer needs.

SaaS as a Driver of Success

Industrial artificial intelligence significantly increases the performance and benefits of our software.

- Seamless AI integration
- Proven AI functions
- Modular, cloud-based AI models
- No implementation necessary
- Low initial investment
- Flexible, scalable solutions
- Simplified maintenance and sales
- Stable, plannable business
- Growth independent of personnel

Growing Internationally

We already have a strong presence in our core markets in German-speaking countries and elsewhere in Europe with our four business units. We have thus proven that our products are also successful internationally.

With an attractive product portfolio, PSI has established a strong market position in the German-speaking market and has repeatedly prevailed against very large international competitors. The high market shares in the domestic market make further growth difficult. In addition, there is a high degree of dependence on the economic development of a region. The key to further increases in sales therefore lies in the internationalization of PSI's business. The diversification of markets not only accelerates growth, but also reduces dependence on individual regions and their economic dynamics.

We are already a global player in the steel and aluminum industry, providing international support to the world's largest metals producers. With locations in 17 countries, we are close to our customers and partners in the metals sector and have access to global resources. Building on this, we want to grow internationally in all business areas and gain market share with our successful products. As a first step, we have identified four high-growth regions in which we are already represented with parts of our portfolio and which we are expanding into international hubs.

Our target markets — our new business units

Grid & Energy Management

Process Industries & Metals

Discrete Manufacturing

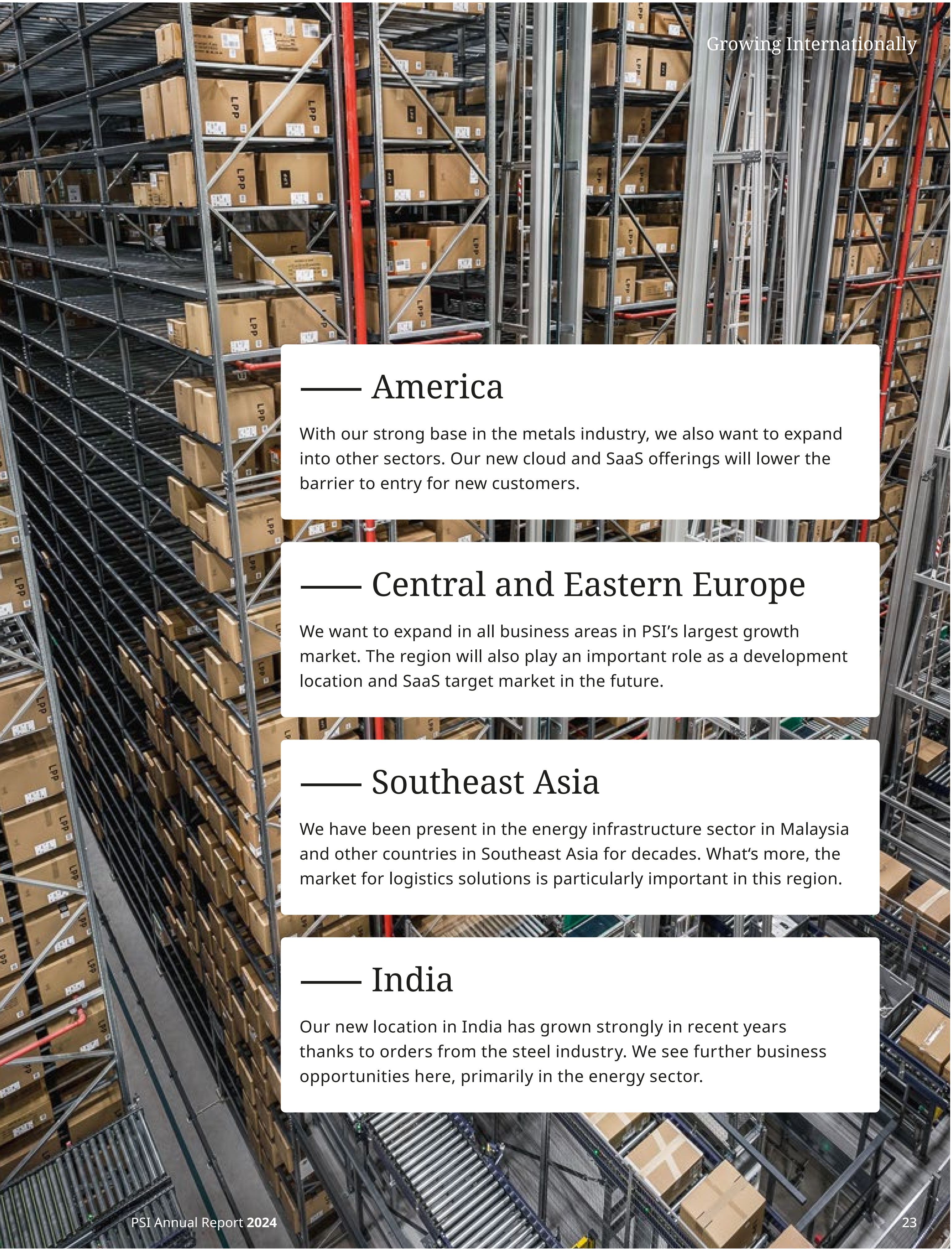
Logistics

Additional Growth through Four International Hubs

We already generate almost 50% of our revenues outside Germany and have a broad customer base. We want to further accelerate growth with international hubs in four dynamic regions.

PSI products are already being used worldwide to plan and optimize our customers' core business processes in the areas of energy supply, production and logistics. In recent years, we have built up relevant market positions with selected parts of our portfolio in high-growth regions in North and South America, Central and Eastern Europe, Southeast Asia and increasingly also in India. We have well-established facilities, experienced teams and a very good reference base in these places. In the next step, we want to build on this in order to drive growth in all business areas.

Thanks to our regional headquarters in the USA and our location in Brazil, we have already written a success story for our solution for the metals industry. We now want to build on this success with the first SaaS offerings from the other business units. We are already represented in Poland with almost 500 employees and the entire PSI product portfolio. Central and Eastern Europe will continue to be our most important growth market in the years ahead. With our regional headquarters in Malaysia, we have many years of experience and references in the energy sector in Southeast Asia. We see it as an attractive target market for our logistics solutions in particular. In India, we have established a new facility in recent years and won major orders from the steel industry. We see further potential here in the medium term, particularly in the energy sector.



America

With our strong base in the metals industry, we also want to expand into other sectors. Our new cloud and SaaS offerings will lower the barrier to entry for new customers.

Central and Eastern Europe

We want to expand in all business areas in PSI's largest growth market. The region will also play an important role as a development location and SaaS target market in the future.

Southeast Asia

We have been present in the energy infrastructure sector in Malaysia and other countries in Southeast Asia for decades. What's more, the market for logistics solutions is particularly important in this region.

India

Our new location in India has grown strongly in recent years thanks to orders from the steel industry. We see further business opportunities here, primarily in the energy sector.

Simplifying Structures

PSI has streamlined its corporate structure and harmonized and streamlined many processes across the Group by creating cross-divisional functions.

—— Merger

The merger of the German subsidiaries into the parent company facilitates the harmonization and streamlining of business processes, leverages synergies and increases scalability.

—— Bundling

In the new organizational structure, all PSI activities have been bundled into four market segments, which enables a more flexible and efficient use of resources.

—— Harmonization

By creating central functions, we have harmonized and streamlined many cross-divisional processes across the Group. This saves costs and improves efficiency and scalability.

—— Regional focus

With four regional growth centers, we are creating the conditions for strong growth. In doing so, we are concentrating on markets in which we can build on a successful basis.

The Year 2024

—— February

After a criminal ransomware attack, PSI shuts down the majority of the IT systems as a precautionary measure and disconnects all external and internal network connections. Customer systems and PSI products are not affected by the attack. With the support of external experts, the systems are then extensively checked, restored and hardened with additional security measures.

—— April

PSI is among the finalists in the SME category of the German Innovation Award 2024 with its PSIcontrol/Greengas product.

PSI's MES software wins the prize in the Manufacturing Execution System/ Manufacturing Operations Management category of the prestigious Factory Innovation Award, which is presented during the Hannover Messe.

May

PSI is analyzed by the Financial Times for the second time since 2022 as part of a comprehensive study and included in the "Europe's Climate Leaders 2024" list. This covers European companies that occupy a leading position in climate change mitigation.

FT FINANCIAL TIMES statista CLIMATE LEADERS 2024

September

SSAB, a steel producer based in Scandinavia and the USA, commissions PSI with the digital renewal of its production management landscape. SSAB intends to be the first supplier to launch fossil-free steel on the market in 2026 and largely eliminate its CO_2 emissions by around 2030.

December

On December 1, PSI takes an important step on the way to becoming an integrated software company with the launch of the new organizational structure "PSI reloaded".


Frankfurt
1.28%
Taipei

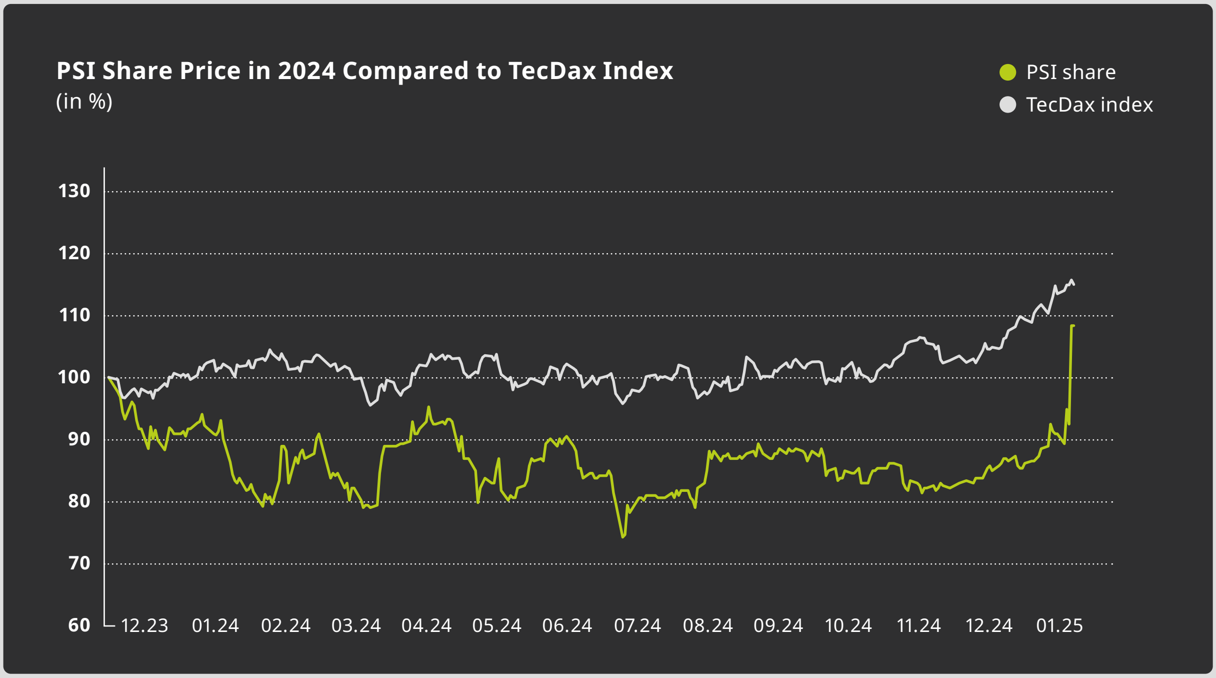
Investor Relations

The stock market year 2024 was once again characterized by international crises and, particularly in the fourth quarter, by far-reaching political changes. Despite this, the stock markets performed very positively, with the rise being driven primarily by the major technology stocks. Small and medium-sized stocks were unable to keep pace with the major benchmark indices and were significantly weaker. For PSI, the stock market year was predominantly shaped by the cyberattack in mid-February and the process of dealing with the resulting consequences. In the second half of the year, the dialog with the capital market increasingly focused on the implementation of the "PSI reloaded" strategy program.

Share Performance during the Year

Share suffers from the consequences of the cyberattack

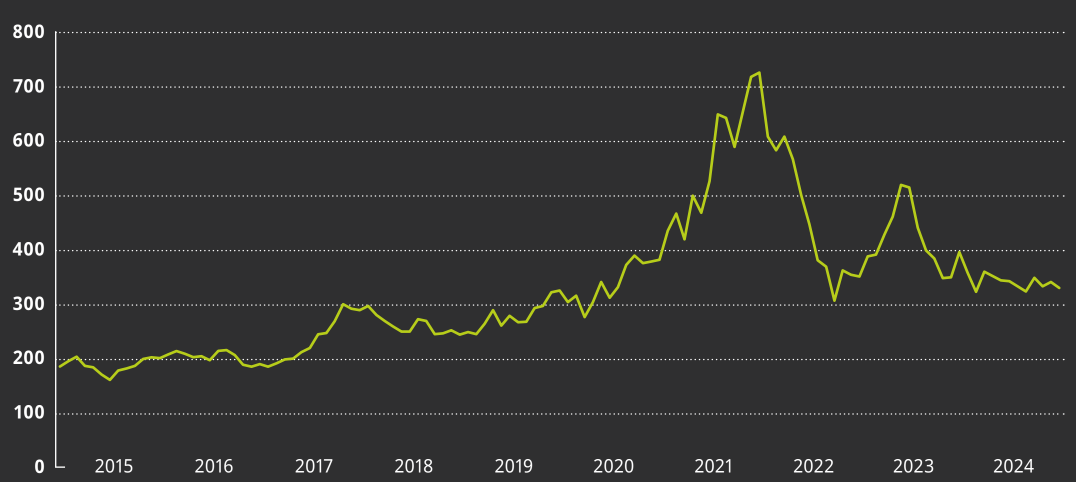
The PSI share began 2024 at a price of EUR 25.30 and reached its peak for the year of EUR 25.70 on the first trading day of the year. It then initially moved sideways before coming under pressure after the cyberattack in mid-February and fluctuated mostly within a range of around EUR 20 to EUR 24 over the rest of the year. At the beginning of August, it briefly fell below EUR 20 and reached its low for the year of EUR 17.95. It partially recovered from this and ended the year at EUR 21.10, 16.6% below the previous year's closing price.



Active capital market communication despite major challenges

In light of the cyberattack on PSI and the resulting postponement of most financial dates, we continued to focus on an intensive and proactive dialog with the capital market in 2024. For the first time in more than 20 years, we explained the new corporate strategy at a Capital Market Day. In total, we presented PSI at four virtual and nine physical investor conferences and roadshows. There were also another 31 virtual and 13 investor visits held in person. The dialog with financial and business journalists resulted in about 40 reports on PSI in print and online media and on stock market radio and TV. The most important topics were the cyberattack and how it was dealt with, as well as the new corporate strategy and its implementation.

Market Capitalization 2015–2024
(in EUR million)



—— Successful Capital Market Day

On September 17, 2024, PSI presented the new corporate strategy at the Capital Market Day in Frankfurt and online.

> “We are determined to significantly increase the value of the company by transforming PSI into a cloud-first software company.”

At the first Capital Market Day in more than 20 years, PSI management presented the new corporate strategy “PSI reloaded” in September 2024. Numerous German and international investors and analysts informed themselves about the concrete transformation steps on the way to a cloud-based business model with a significantly broader international base and growing shares of recurring software-as-a-service revenues. The management provided detailed information on the necessary investments in products, technology partnerships and expertise, as well as on the growth opportunities and PSI’s leading role in cloud-based artificial intelligence in industrial applications. This was also underlined by statements from selected international customers from the logistics, energy infrastructure and steel production business areas.

Analysts' Recommendations for the PSI Share in 2024

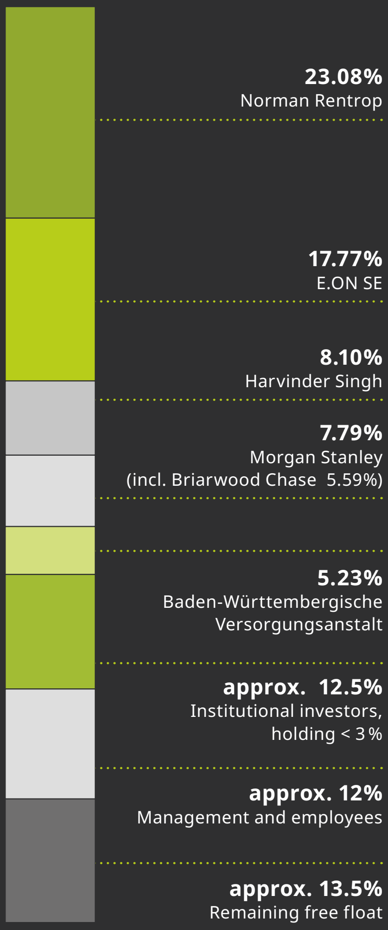
=	=	=	–2.64
6 positive recommendations	**1** neutral recommendation	**0** negative recommendations	**30.29** average target price in EUR

Key Figures and Data on the PSI Share

Key figures on the PSI share	2024	2023
Earnings per share in EUR	**–1.35**	0.02
Market capitalization on December 31 in EUR	**331,214,423**	397,143,360
High for the year in EUR	**25.70**	35.55
Low for the year in EUR	**17.95**	21.15
Number of shares on December 31	**15,697,366**	15,697,366

Data on the PSI share	
Stock exchanges	Xetra, Frankfurt, Berlin, Stuttgart, Düsseldorf, Hamburg, Hanover, Munich, Tradegate
Stock exchange segment	Regulated market, Prime Standard
Inclusion in indices	Technology All Share, DAXsector Software, DAXsector All Software, DAXsubsector Software, DAXsubsector All Software, DAXsupersector Information Technology, Prime All Share, CDAX
ISIN	DE000A0Z1JH9
Securities identification number (WKN)	A0Z1JH
Stock exchange symbol	PSAN

Shareholder Structure on December 31, 2024



Financial Statements (IFRS)

of PSI Software SE,
for the 2024 Financial Year

Consolidated Management Report

of PSI Software SE, Berlin,
for the 2024 Financial Year

1. Basic Information on the Group

Business Model of the Group

The core business of the PSI Group (PSI) consists of process control and information systems for the optimization of the energy and material flows in the following target industries:

– utility companies in the electricity grid, gas grid, pipeline, heating and water network sectors

– process and metals industry

– discrete manufacturing, in particular mechanical and plant engineering, automotive and automotive supply sectors

– logistics

Accordingly, since the end of the 2024 financial year, the Group has been divided into the business units Grid & Energy Management, Process Industries & Metals, Discrete Manufacturing and Logistics. PSI develops and sells its own software products and complete systems based on these products for these target sectors.

PSI has over 2,400 employees worldwide. As a specialist in process control and optimization systems, the Group has gained a leading position nationally and internationally in the target export markets, particularly among energy supply companies and metals producers. PSI continuously invests in the functionality and innovativeness of its products in order to secure and improve its competitive position. PSI was established in 1969, making it one of the most experienced German software companies.

In Germany, the PSI Group has locations in Berlin, Aachen, Aschaffenburg, Dortmund, Düsseldorf, Essen, Hamburg, Hanover, Karlsruhe, Munich, Oldenburg, Potsdam and Stuttgart. Internationally, PSI is represented by subsidiaries and representative offices in Austria, Belgium, Brazil, China, Denmark, India, Japan, Malaysia, the Netherlands, Oman, Poland, Sweden, Switzerland, Thailand, the UK and the US.

Strategy and Control System

The PSI Group's strategy was revised as part of the PSI reloaded process in the 2024 financial year. The aim of the PSI reloaded strategy is to transform the PSI Group into an integrated software company whose business model is based on technological leadership and a strong corporate culture.

The Group strategy focuses on international growth and improving the revenues mix by increasing the proportion of high-margin, recurring revenues. To achieve its strategic goals, PSI is investing in the cloud and software-as-a-service (SaaS) transformation of its business model. In the coming years, PSI aims to further increase the share of profitable product revenues with a particular focus on artificial intelligence in industrial applications. Improving the efficiency and standardization of internal processes lays the foundations for increasing profitability.

The key performance indicators for achievement of the strategic goals are:

– the ratio of operating result to revenues (EBIT margin) as a key indicator for improving the Group's profitability. In contrast to previous financial years, the PSI Group will present this indicator broken down on the basis of an adjusted EBIT and an unadjusted EBIT from 2025 onwards. Costs for restructuring and costs for mergers & acquisitions will be reported in unadjusted EBIT, while they will not be included in adjusted EBIT.

– the development of revenues as a key figure for the Group's growth rate;

– new orders as a significant leading indicator of future revenues growth;

– the share of consolidated revenues attributable to revenues from recurring maintenance and update and SaaS contracts as a key figure for PSI's transformation.

The graphs are not part of the audited report.

In addition to these key figures, which will also be used in 2024, the PSI Group will use the following key figures in the 2025 financial year:

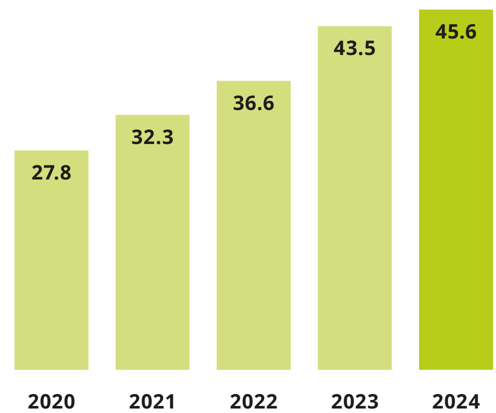
- the share of international revenues in consolidated revenues;
- gross profit, defined as revenues less sales costs and research and development costs;
- the ratio of the sum of sales, marketing and administrative costs to revenues;
- free cash flow, defined as the sum of cash flow from operating activities and cash flow from investing activities.

In the non-financial area, the PSI Group has been calculating the following key figures to measure its performance with regard to employee commitment and customer loyalty:

- an employee commitment index showing the employees' motivation and loyalty and the extent to which they identify with PSI;
- a customer loyalty index that measures the customers' willingness to rely on PSI in the long term and to provide a reference.

In addition to these key figures, the PSI Group will develop further key figures in the 2025 financial year that measure the proportion of PSI customer projects directly related to sustainability goals, the Group's own energy consumption, the composition and incentivization of PSI Group employees and adherence to the compliance obligations relevant to the PSI Group. The corresponding key figures will be prepared for the first time for the 2025 financial year.

R&D Expenses Rise Again
(in EUR million)



Research and Development

PSI is constantly investing in the further development of its existing product portfolio, in new software components and functions and in the cloud transformation of its product base. The aim of these investments is to improve the conditions for international growth and strengthen the Company's competitive position through innovative software products. Functionality, modernity and security are just as crucial for commercial success as the use of extensive expertise in the application of cloud-based artificial intelligence in industrial applications.

When developing new products, PSI works closely with pilot customers. This collaboration is intended to ensure the marketability of the products right from the start. These products are then continuously evolved in follow-up projects and adapted to the development in the target markets.

In 2024, development activities focused on the PSIcontrol grid control system, the expansion of PSI industry software products to include new, AI-based functions and the start of the cloud transformation of the product portfolio, among other things. The aim of this strategic development is to provide customers and partners with PSI products directly from the cloud as part of SaaS offerings. The provision of cloud-based products and SaaS offerings creates the conditions for decoupling international growth from PSI's personnel capacity.

In 2024, the PSI Group's research and development expenses (costs recognized as expenses and capitalized software development costs) amounted to EUR 45.6 million, up 4.8% from EUR 43.5 million in the previous year. This amount did not include any relevant purchased services. The capitalization rate was 9.4% after 9.8% in the previous year. Amortization of EUR 2.1 million related to capitalized software development costs.

In addition, PSI has also been involved in state-subsidized research projects for fundamental technology development for many years.

This research focuses on projects related to successfully implementing the energy transition and integrating an increasing share of energy from renewable sources. Another focus of PSI's research is projects dedicated to implementing the future-oriented Industry 4.0 project and the AI-based optimization of production processes. The knowledge gained in the projects is used in accordance with the cooperation or consortium agreements entered into between the parties involved in the respective research association. The PSI Group recognized state subsidies of EUR 4.8 million in total in the 2024 financial year.

2. Economic Report

Business Performance and General Conditions

In 2024, the German economy shrank slightly once again. Adjusted for inflation, gross domestic product fell by 0.2% after already decreasing by 0.3% in the previous year. In contrast, gross domestic product rose by 0.8% in the eurozone. It also rose in the USA, where an increase of 2.8% was recorded, and in Malaysia, where the increase amounted to 5.1%.

In the market for industrial software, in which the PSI Group is active, significantly higher growth rates were recorded. Depending on the respective software products, these were between 5% and 10%.

On our customers' side, economic megatrends such as decarbonization and resource efficiency, the handling of increasing uncertainties in the economic and social environment, competitive pressure and faster innovation cycles as well as automation and digitalization play a major role.

Overall Assessment of Business Performance

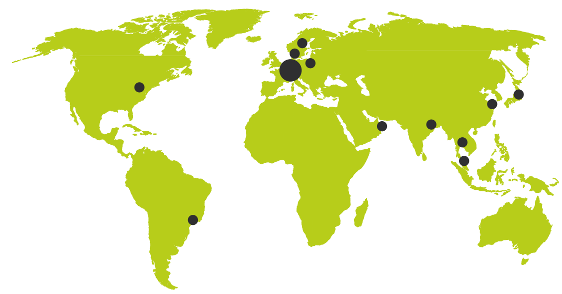
The PSI Group was the victim of a cyberattack in February 2024 and had to shut down all internal IT systems and partially suspend business operations in order to ensure that there were no security risks for customers when the IT systems were restarted. This resulted in lost revenues and additional costs totaling around EUR 26 million.

After the economic impact of the cyberattack could be substantiated, the PSI Group published a target figure of EUR –15 million for the operating result. This target was achieved with an operating result of EUR –15.2 million. In terms of revenues, the expected figure of EUR 245 million to EUR 250 million was significantly exceeded with revenues of EUR 261 million.

The achievement of earnings targets illustrates the high level of commitment of all PSI Group employees in overcoming the economic difficulties resulting from the cyberattack. Thanks to an efficient communication strategy and transparent disclosure of the measures taken to restore the IT systems, the PSI Group was able to convince all existing customers to continue their successful business relationships.

As a result of the cyberattack, the PSI Group has reviewed all existing measures to ensure IT security and taken additional security precautions. The corresponding measures have led to a significantly higher cost level.

International Presence and Locations in Europe and Worldwide



- **PSI locations:** Austria, Belgium, Brazil, China, Denmark, Germany, India, Japan, Malaysia, Netherlands, Oman, Poland, Sweden, Switzerland, Thailand, UK, US

Result of Operations

New Orders below Previous Year

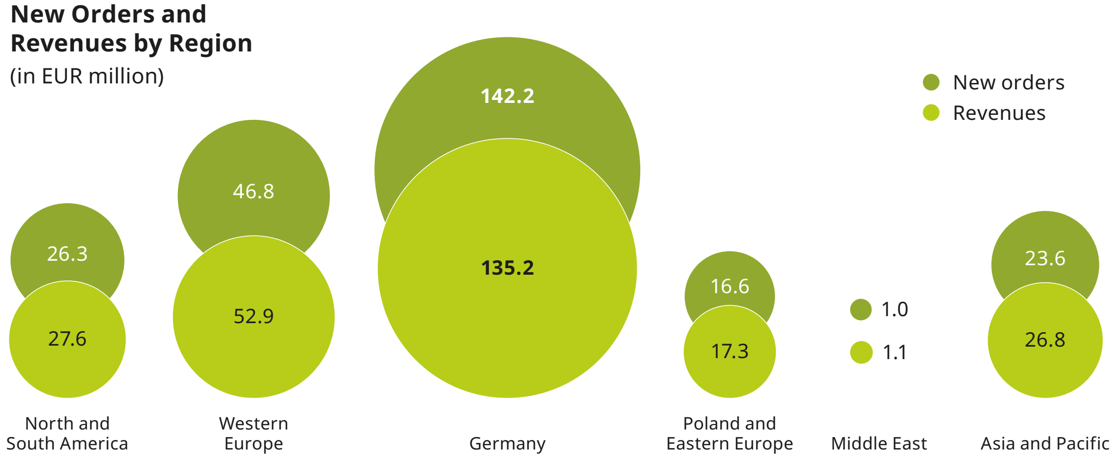
New orders amounted to EUR 257 million in 2024, down 13.5% on the previous year's figure of EUR 297 million and thus 1.5% lower than revenues. The main factor influencing the reduction in new orders was the period following the cyberattack, during which no revenues could be realized because business operations were restricted.

The order backlog decreased by 10.6% to EUR 152 million as at the end of the year.

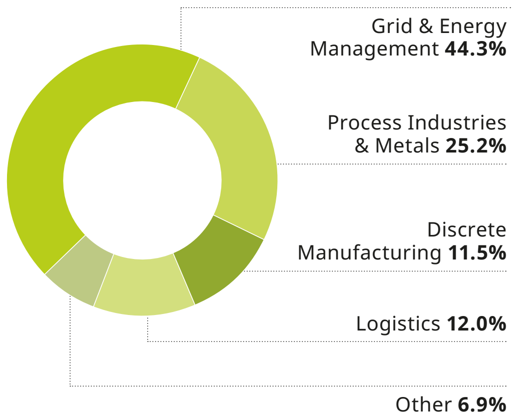
Consolidated Revenues Only Slightly below Previous Year Despite Cyberattack

At EUR 260.8 million, consolidated revenues in 2024 were 3.4% below the previous year's figure of EUR 269.9 million due to a decrease in revenues in connection with the cyberattack. Revenues generated outside Germany rose by 3.5% from EUR 121.4 million in the previous year to EUR 125.6 million. This represents an increase in the export share from 45.0% to 48.2%. The share of annually

New Orders and Revenues by Region
(in EUR million)



Revenue Allocation by Segment
(2024)



recurring revenues was increased from EUR 103.5 million to EUR 106.0 million. In percentage terms, the share of annually recurring revenues rose accordingly from 38.3% to 40.6%.

In the Grid & Energy Management business unit, increased security requirements had to be met for customers in the area of critical infrastructure following the cyberattack in February 2024 before a transition to normalized business operations was possible. The business unit generated revenues of EUR 115.6 million. The Grid & Energy Management business unit thus accounted for a total of 44.3% of consolidated revenues. Of the business unit's revenues, annual recurring revenues accounted for EUR 50.7 million, or 43.9% of business unit revenues.

The second-largest business unit, Process Industries & Metals, accounted for EUR 65.7 million (25.2% of consolidated revenues). Of these revenues, EUR 18.6 million was attributable to annually recurring revenues (28.3% of business unit revenues).

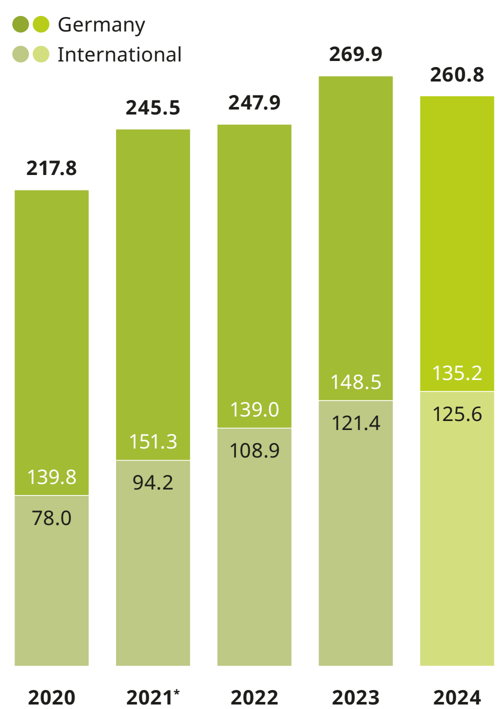
In the Discrete Manufacturing business unit, revenues of EUR 30.0 million were generated after order postponements from new customers. The revenues therefore accounted for 11.5% of consolidated revenues. Of the business unit's revenues, 57.7% was attributable to annually recurring revenues.

The Logistics business unit recorded a good order situation in Eastern Europe and achieved sales of EUR 31.4 million. Business unit revenues therefore accounted for 12.0% of consolidated revenues, while the share of annually recurring revenues in this business unit amounted to 39.8%.

The Other segment primarily includes the revenues of PSI Transcom GmbH, whose shares were sold at the end of 2024 and transferred to the purchaser in March 2025.

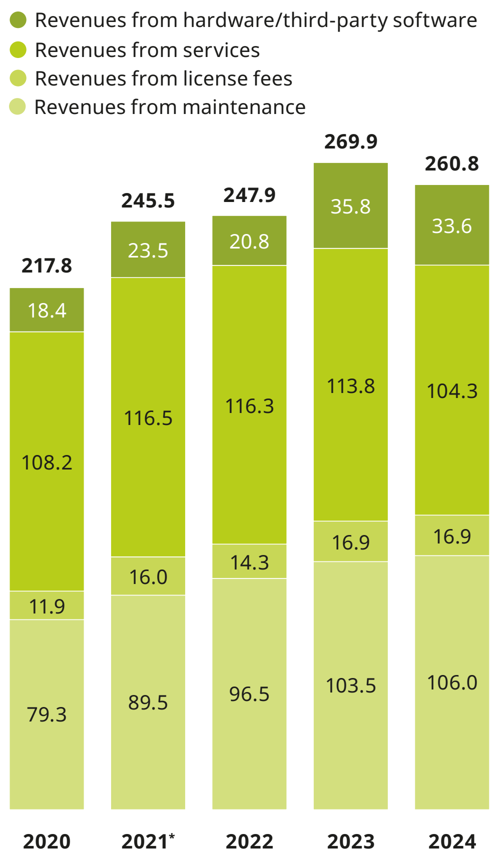
Please refer to the consolidated segment reporting for the development of the previous Energy Management and Production Management business units.

Growth in Export Revenues
(in EUR million)



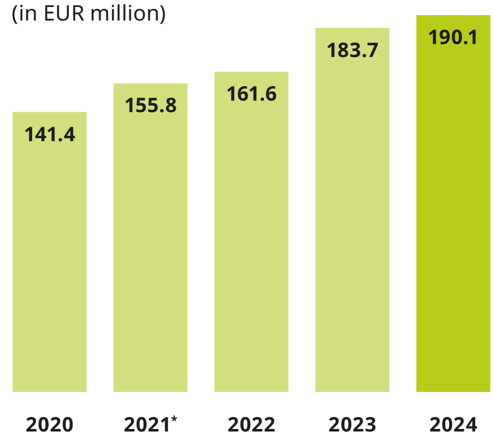
* Restated

Revenues from Maintenance Increase Further
(in EUR million)



* Restated

Personnel Expenses Develop in Line with Capacity Growth
(in EUR million)



* Restated

Cost of Materials Reduced, Other Operating Expenses Increased

Expenses for purchased goods and services decreased by EUR 7.8 million to EUR 38.3 million. Expenses for the project-related procurement of hardware and licenses, which had risen sharply in the previous year, fell by EUR 6.2 million. Expenses for purchased services decreased by EUR 1.6 million.

At EUR 190.1 million, personnel expenses were up 3.5% year-on-year. The increase is related to the higher average number of employees due to targeted recruitment in connection with the strategic realignment of PSI.

Other operating expenses increased by 22.0% from EUR 36.9 million in the previous year to EUR 45.0 million. The main reasons for the sharp increase are higher project expenses as well as IT and consulting costs in connection with overcoming the cyberattack.

Decrease in Consolidated Operating Result with Differentiated Earnings Performance in the Business units

The PSI Group's adjusted and unadjusted operating result was clearly negative at EUR –15.2 million as a result of the cyberattack, after amounting to 5.6 million euros in the previous year. The EBIT margin fell accordingly from 2.1% to –5.8%.

The Grid & Energy Management business unit recorded a negative operating result of EUR 14.8 million in 2024, corresponding to an EBIT margin of –12.8%. In addition to the reduction in revenues, the significantly poorer operating result compared to the other business units is primarily due to additional expenses for the restart of the IT systems.

Process Industries & Metals generated an operating result of EUR 1.2 million and an EBIT margin of 1.8%. This meant that a positive result was achieved, even taking into account the considerable impact of the cyberattack. As in the previous year, the main driver of the Process Industries & Metals business unit's operating business was the North American business.

The Discrete Manufacturing business unit achieved an operating result of EUR 0.4 million and an EBIT margin of 1.3%. In addition to the effects of the cyberattack, economic effects in the automotive and automotive supply industry had a negative impact on business development in the 2024 financial year.

In the Logistics business unit, the operating result amounted to EUR 0.7 million and the EBIT margin to 2.2%. The continued good business performance in Eastern Europe was therefore able to compensate for a significant proportion of the losses from the cyberattack.

Decrease in the Group Net Result in Line with the Consolidated Operating Result

The Group net result fell from EUR 0.3 million to EUR –21.0 million in the reporting year. The financial result of EUR –2.6 million and income tax expenses of EUR 3.8 million remained at the previous year's level.

Earnings per share fell accordingly from EUR 0.02 to EUR –1.35.

Financial Position

On December 31, 2024, PSI had cash credit facilities of EUR 42.1 million to finance its ongoing operations in addition to cash and cash equivalents of EUR 26.5 million and current and non-current financial liabilities of EUR 30.7 million. In the previous year, cash and cash equivalents were EUR 50.5 million, current and non-current financial liabilities were EUR 15.3 million and the cash credit facility was EUR 40.8 million.

The Group was able to meet its payment obligations as planned at all times in the 2024 financial year. The Group has internal ratings from its principal banks that are roughly equivalent to the BBB- and Ba3 rating categories.

Cash flow from operating activities decreased from EUR 16.8 million in the previous year to EUR –19.7 million. It was primarily characterized by the significantly negative Group net result and the effects of the cyberattack.

Cash flow from investing activities decreased from EUR –6.9 million to EUR –7.0 million. As in the previous year, it was characterized by capitalized software development costs of EUR 4.3 million (previous year: EUR 4.2 million).

Cash flow from financing activities improved from EUR –5.0 million to EUR 5.3 million, predominantly as a result of an increase in current financial liabilities and the elimination of the dividend payment.

Net Asset Situation

Balance Sheet Structure:
Equity Ratio Drops to 34.8%

The total assets of the PSI Group decreased from EUR 283.2 million to EUR 273.9 million in 2024.

On the assets side, non-current assets decreased from EUR 119.4 million to EUR 113.7 million, primarily as a result of a decline in deferred tax assets. Current assets decreased from EUR 163.8 million to EUR 160.1 million. Within this item, assets held for sale increased by EUR 18.3 million, while cash and cash equivalents fell by EUR 24.0 million.

On the equity and liabilities side, current liabilities rose from EUR 91.0 million to EUR 113.2 million, primarily due to new financial liabilities and the increase in liabilities in connection with assets held for sale. Non-current liabilities fell from EUR 80.4 million to EUR 65.3 million, primarily due to the reduction in pension provisions and financial liabilities. Equity fell from EUR 111.7 million to EUR 95.4 million due to the negative Group net result. Accordingly, the equity ratio decreased from 39.5% to 34.8%.

Overall Assessment of Net Assets, Financial Position and Results of Operations

The Group's financial position, net asset situation and results of operations deteriorated year-on-year in the 2024 financial year as a result of the cyberattack on PSI and the resulting expenses. In particular, the operating result, the Group net result, the cash flow from operating activities and the equity ratio were below the previous year. Overall, the Group still has the financial prerequisites to finance organic growth and selective acquisitions.

Non-Financial Performance Indicators

In 2024, the PSI Group achieved an employee commitment index score of 92%, which was above its target range (2023 score: 86%). This was as a result of a year-on-year reduction in staff turnover and a slightly lower sick leave rate while employee satisfaction remained constant.

The customer loyalty index score rose to 92% in 2024 from 89% in the previous year, mainly reflecting the higher share of maintenance and upgrade revenues with a more or less unchanged willingness to provide a reference. The 2024 customer loyalty index was thus at the upper end of the targeted range.

3. Statutory Disclosures

Disclosures in Accordance with Section 315a(1) HGB

As at December 31, 2024, the share capital of PSI Software SE amounted to EUR 40,185,256.96 and was divided into 15,697,366 no-par-value shares with an accounting par value of EUR 2.56. Each share confers the right to one vote. There are no different classes of shares. The shareholders exercise their voting rights at the Annual General Meeting in accordance with the statutory requirements and the Articles of Association. There may be statutory restrictions on voting rights in accordance with section 136 of the Aktiengesetz (AktG — German Stock Corporation Act) or, to the extent that the Company holds treasury shares, in accordance with section 71b AktG. In the second half of 2022, PSI Software SE issued a total of 29,216 no-par-value shares to employees as staff shares. There was a contractual prohibition on the sale of these shares until November 25, 2024. There are no further restrictions with regard to voting rights or transfers of shares.

In the 2024 financial year, Mr. Norman Rentrop, Germany, held a 23.08% interest in PSI Software SE. This has been held directly by him since December 30, 2024, and until this date was held via Investmentaktiengesellschaft für langfristige Investoren TGV, which he controls. According to the notification pursuant to section 27a(1) of the Wertpapierhandelsgesetz (WpHG — German Securities Trading Act) dated September 7, 2017, the investment in PSI Software SE serves the long-term objective of generating trading profits.

In the 2024 financial year, E.ON SE, Essen, Germany, held a 17.77% interest in PSI Software SE. E.ON SE is a major distribution grid operator and an important customer of PSI Software SE in the Grid & Energy Management business unit. According to the notification from E.ON SE pursuant to section 43(1) sentence 3 WpHG dated October 22, 2019, the investment in PSI Software SE is a direct consequence of the acquisition of the majority interest in innogy SE and thus serves the purpose of implementing strategic goals.

PSI Software SE has not issued any shares with special rights.

There are no voting right controls at PSI Software SE in relation to employee shares if employees have an investment in the Company's capital and do not exercise control rights directly.

In accordance with Article 9(1) of the Articles of Association, members of the Executive Board are appointed and dismissed by the Supervisory Board, which also determines the number of members of the Executive Board. Sections 84 et seq. AktG also apply to the appointment and dismissal of Executive Board members.

In accordance with Article 12 of the Articles of Association, the Supervisory Board is authorized to make amendments and additions to the Articles of Association that affect the wording only. Otherwise, the Articles of Association are adopted by the Annual General Meeting with a majority of two thirds of the votes cast or, if at least half of the share capital is represented, a simple majority of the votes cast, in accordance with Article 20 of the same Articles of Association. This applies except in cases where the law requires resolutions to be adopted with a majority of at least three-quarters of the share capital represented when the resolution is adopted.

PSI Software SE has authorized capital of up to EUR 8.0 million in place until May 22, 2028, that was created by resolution of the Annual General Meeting on May 23, 2023. This resolution authorizes the Executive Board, with the approval of the Supervisory Board and without requiring a further resolution by the Annual General Meeting, to increase the Company's share capital in exchange for cash or contributions in kind. This can be utilized for any purpose permitted by law. The Company has not yet exercised this authorization to date.

PSI Software SE also has contingent capital of up to EUR 8.0 million in place until May 18, 2026. This serves the purpose of servicing convertible and warrant-linked bonds and profit-sharing certificates. The Company was authorized to issue this contingent capital in a total nominal amount of up to EUR 100.0 million by the Annual General Meeting on May 19, 2021. The Company has not yet exercised this authorization to date.

PSI Software SE also has contingent capital of up to EUR 1.5 million in place. This serves exclusively to grant shares to the holders of share option rights from the 2024 share option program in accordance with the authorization of the Annual General Meeting on July 26, 2024. The conditional capital increase will only be carried out to the extent that the holders of share option rights exercise these share option rights and the Company does not fulfil the share option rights by paying cash or by granting treasury shares.

The Executive Board of PSI Software SE was authorized by the Annual General Meeting on May 23, 2023, to acquire treasury shares in the Company in a volume of up to 10% of the share capital until the end of June 30, 2026. Together with treasury shares acquired for other reasons that are owned by or attributable to the Company, the shares acquired on the basis of this authorization must not exceed 10% of the Company's share capital at any time. Treasury shares can only be acquired if the Company was able to establish a reserve in the amount of the expenses for the acquisition without reducing the share capital or any reserve to be established in accordance with the law or the Articles of Association that must not be used for payments to the shareholders. The authorization must not be used for the purpose of trading in treasury shares. In keeping with the principle of equal treatment, the Executive Board can choose to acquire the shares either on the stock market or by way of a public purchase offer to all shareholders of the Company. The authorization can be exercised one or more times in full or in partial amounts (see "Equity" in the notes).

There are no significant agreements of the Company that are subject to the condition of a change of control following a takeover bid.

Combined Corporate Governance Declaration

The corporate governance declaration in accordance with section 289f and section 315d of the Handelsgesetzbuch (HGB — German Commercial Code) has been published on PSI Software SE's website at **www.psi.de/en/company/investor-relations/corporate-governance.**

4. Report on Risks and Opportunities

The PSI Group's risk management system covers all organizational regulations and measures for identifying and dealing with the risks and opportunities of its business activities and serves to identify risk at an early stage, to make a risk analysis and to take appropriate countermeasures. The PSI Group's risk policy aims to secure the Group's success in the long term, to increase the enterprise value and, using countermeasures, to maintain an appropriate risk coverage potential (Group equity) at all times.

To this end, PSI has set up a risk management system that is used by the Executive Board of the Company as a tool for the early recognition and prevention of risks. This particularly applies to risks whose effects, individually or in combination with other risks, could jeopardize the PSI Group as a going concern. Risk management covers the tasks of recording, assessing, communicating, managing, documenting and monitoring risks. The Company's risk management system is refined on an ongoing basis and the knowledge gained from the risk management system is integrated into corporate planning. There are various guidelines and operating instructions for documenting and communicating the risk management system integrated into the PSI Group guideline system. These are available to all employees in the internal PSI intranet.

Risks are identified each year by the risk manager in cooperation with the risk officers. In addition to regular risk reporting, all risk officers are required to monitor risks on an ongoing basis and to inform the Executive Board by means of ad hoc reporting of new risks or changes in existing risks. Each year, all identified risks are assessed in terms of their probability of occurrence and possible impact on the Company regarding the achievement of key performance indicators (KPIs). Risks are aggregated automatically in the risk management tool.

PSI continued to refine its risk management system in the 2024 financial year without making any material changes. As in the previous year, risks were identified, classified and assessed uniformly throughout the Group. In doing so, the following material risk categories were identified:

– corporate strategy risks (3 individual risks)

– financial risks (14 individual risks)

– organizational and legal risks (3 individual risks)

– operating business risks (13 individual risks)

Analysis of Risks and Opportunities

The PSI Group is exposed to a range of risks. In the 2024 financial year, the risk profile changed due to a cyberattack in February 2024. To deal with the consequences of the cyberattack, various measures were introduced to significantly increase the security of the IT systems as part of a revised IT strategy.

There are no material differences in the PSI Group's business model across the individual business units. Specific aspects resulting in differences to the risk structure in the individual business units are described below. Unless indicated otherwise, the subsequent presentation of material individual risks applies equally to the individual business units.

The individual risks described below focus on those risks that can have a considerable negative impact on the business, net assets, financial position (including impacting assets, liabilities and cash flows) and results as well as the reputation of the PSI Group. The financial risks identified are of minor importance both individually and overall. The order of the risks shown within the four categories reflects the current assessment of the relative extent of risk for the PSI Group, thus offering an indication for the current importance of these risks. Based on our risk assessment, all risks of the category "Moderate" (size of loss: EUR 1–2 million) and "Material" (size of loss: EUR 2–20 million) with a probability category of "Probable" (20–50%) were taken up in the following reporting.

In the 2024 financial year, both in the individual assessment as well as overall, there was no risk/risk group which was assessed as jeopardizing the continued existence of the Group (size of loss: greater than EUR 20 million) or in the “Very probable” category (probability greater than 50%). Neither of these two risk categories was achieved, even as a result of the combination of different risks.

Risks and Opportunities in the Business units

In the Grid & Energy Management business unit, there is a high level of dependency on German and German-speaking markets which are strongly determined by local regulations in the area of energy supply. The narrow nature of local markets and appropriate compliance of regulations are important corporate strategic risks in this business unit. At Grid & Energy Management, the transnational effects of the expansion of renewable energy, continuing digitalization, integrated energy, electric mobility and the expansion of storage technologies will result in additional business potential in the long term.

In the Process Industries & Metals business unit, the PSI Group is significantly less dependent on domestic markets and further expanded its share of international activities. This reduces dependence on economic developments in individual markets, while at the same time increasing the risks associated with the negative effects of customs duties and trade barriers.

The Discrete Manufacturing business unit has a stable customer base in the medium-sized manufacturing industry with a focus on German-speaking countries. As a result, there is a relevant risk of being negatively affected by a sustained economic downturn in these countries. Business opportunities arise from the trend towards digitalization and AI-based optimization of industrial processes.

The Logistics business unit has grown in recent years, particularly in the markets of Central and Eastern Europe, where it has been able to gain market share. This has reduced our dependence on the German-speaking markets, but at the same time there is still a risk of weak economic development in Europe. Further opportunities also arise in logistics from the digitalization and optimization of logistics processes.

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Presentation of Material Individual Risks of the PSI Group

The share of international activities, measured in terms of revenues generated outside Germany, increased in 2024, thereby reducing the dependency on the domestic market. Overall, the higher export share indicates that the dependency on the domestic economy is still only limited and presents further opportunities for international growth. However, the international expansion gives rise to new risks of dependency on international partners, exchange rates and legal systems. On the other hand, risks and opportunities will be more broadly diversified as a result of the further focused expansion of international activities.

Corporate Strategy Risks

Transformation of the PSI Group (material)

PSI’s strategy for the coming years is focused on the Group’s further transformation into an international software product provider, on ongoing internationalization and on expanding the cloud and SaaS strategy. If this does not succeed as planned, there is a risk that the PSI Group may not achieve its revenues and earnings targets. In addition, PSI would then still be dependent to a large extent on the general economic development and regulatory framework in Germany.

Compliance (material)

The legal environment of PSI Software SE as a listed company, a software supplier for critical infrastructure and a company with an international alignment is complex in regulatory terms, changes quickly and is shaped by a high level of rules and regulations. An infringement of relevant regulations in this environment could have a considerable financial impact and result in the loss of reputation. For all relevant compliance areas, the PSI Group has implemented monitoring mechanisms aimed to secure compliance with existing regulations.

Organizational and Legal Risks

Availability and security of IT systems/cyber and information security (material)

Business processes in the PSI Group are interwoven with IT systems and applications. There is a risk that the failure of these IT systems to function properly or their unavailability could have a significant adverse effect on business operations, thereby entailing high costs. For example, instances of this would include the failure of infrastructure components, disruptions in the energy supply or telecommunications and malfunctions or errors at partners, customers or suppliers in the event of a cyberattack. The PSI Group is working on an ongoing basis on the needs-driven expansion and conversion of the IT infrastructure as well as the development of highly qualified staff for infrastructure operations in order to secure sufficient availability of the IT systems. Following the cyberattack in February 2024 and the resulting increased risk assessment, further measures were taken to significantly improve the security of IT systems as part of a revised IT strategy.

PSI Group employees (moderate)

As PSI performs technically challenging tasks, the Group is reliant on employing suitably qualified staff. In Germany in particular, there is a risk that it may not be able to acquire a sufficient number of suitable employees due to the demographic development. PSI counters this risk with active HR marketing and measures to strengthen employee loyalty. In this way, the Company has so far succeeded in hiring, integrating and permanently retaining a sufficient number of qualified employees.

Operating Business Risks

Risks of services not performed in fixed-price projects (material)

Alongside low-risk standard products, the PSI Group sells and implements large, technically complex projects under fixed-price contracts for work and services (“fixed-price projects”). There is the risk that contractually agreed services cannot be performed or can only be performed at a significantly greater expense to the PSI Group. Such risks can arise as a result of individual technical and contractual integration and migration specifications whose feasibility has not yet been demonstrated by implemented software solutions or unclear, unrealistic or changing customer requirements or the miscalculation of the expense involved.

The PSI Group has an extensive and detailed system to monitor all projects. Complex fixed price projects remain subject to specific release processes, monthly management control and monitoring by the Executive Board. In the 2024 financial year too, this involved strengthening standardized legal frameworks, improving the ability to forecast employee workloads and tightening control over the sales pipeline.

Risks from the open-source software used (moderate)

Like other software manufacturers, the PSI Group uses elements of open-source software in its products. Despite careful checks and security measures, security gaps can be discovered or errors occur that can result in considerable costs which are not remunerated by the final customer.

Risks from the discontinuation of service and maintenance revenues (moderate)

The PSI Group generates significant revenues from maintenance and upgrade contracts with existing customers. These revenues are highly profitable. There is a risk that maintenance contracts will not be extended or will be concluded on less favorable terms, which could have a negative impact on revenues and earnings. The PSI Group is countering this risk with investments in the upgrade capability of the software products and the initiated cloud and SaaS transformation.

Description of the Key Features of the Internal Control and Risk Management System with Regard to the Group Accounting Process (Section 315(4) HGB)

The primary objective of the accounting-related control and risk management system in the PSI Group is to secure the correctness of financial reporting with the objective of compliance with all relevant regulations of the consolidated financial statements and the consolidated management report of the PSI Group and the annual financial statements of PSI Software SE as the parent company.

The structure of the risk management system is aligned to the well-known COSO Standard (Committee of Sponsoring Organizations of the Treadway Commission) Enterprise Risk Management — Integrating with Strategy and Performance (2017) and the ISO (International Organization for Standardization) Standard 31000 (2018). The frameworks link the risk management process with financial reporting and the internal control system. At the PSI Group, the accounting-related internal control system is also aligned to the Internal Control — Integrated Framework (2013), the internationally recognized framework developed by COSO. This means that clear management and control structures are implemented in accounting, areas of responsibility are clearly assigned and critical functions are separated from one another. The Group's net assets, financial position and results of operations are reported to management on an ongoing basis.

The consolidated financial statements of the PSI Group are prepared on the basis of a fixed conceptual framework. This essentially consists of standards in the form of accounting guidelines and a chart of accounts. An analysis takes place on an ongoing basis as to whether any adjustments to the conceptual framework are required as a result of changes in the regulatory environment. The data basis for preparing financial information is the financial statement information reported by PSI Software SE and its subsidiaries. Assistance is provided by external service providers in specific instances, such as the measurement of pension provisions.

On the basis of the reported financial statement information, the financial statements are prepared in the consolidation system. The steps required in preparing the financial statements are subjected to manual and system controls. The qualifications of the employees involved in the accounting process are assured by means of suitable selection processes and training. In general, taking materiality considerations in account, the dual control principle applies. Furthermore, financial statement information must pass through specific release processes. Further control mechanisms include the variance analysis of forecasts and the analysis of the composition and changes to the individual items, in relation to both the financial statement information reported by the Group units and to the consolidated financial statements.

To provide protection against unauthorized access, access rights have been defined in the accounting-related IT systems in line with our regulations on IT security. The IT systems are based on standard software.

The Audit Committee of the Supervisory Board is also integrated into the control system. In particular, it monitors the accounting and accounting process and the effectiveness of the internal control system and the risk management system. There are also rules for accounting-related complaints (Compliance Committee).

Description of the Key Features of the Internal Control System (Recommendation A.5 of the German Corporate Governance Code)

The PSI Group has implemented an additional risk management, internal control and compliance management system that goes above and beyond the internal risk management and accounting control system described above.

The internal control system contains all Group-wide rules for managing operational, financial and compliance risks. These rules are published in the form of guidelines, operating instructions or process descriptions. The creation, approval, development, provision and communication of these internal rules is centrally controlled and based on standard procedures.

PSI Group employees are required to adhere to the Group Code of Conduct as a core component of the compliance management system. It contains the Group-wide value system and the rules for dealing with the stakeholders of the PSI Group.

The main business processes of the PSI Group are supported by IT solutions and tools in which controls are integrated. In line with the Group-wide digitalization strategy, integrated digital controls are preferred because they provide greater security than manual controls. Manual controls are also used to detect errors as we cover all aspects of our business processes.

The PSI Group relies on external audits in quality management (ISO 9001), information security (ISO 27001), environmental management (ISO 14001) and other industry-specific audits.

The operational and central units of the PSI Group, the Executive Board and the Supervisory Board communicate regularly with regard to the risk situation and ad hoc changes in the risk situation.

Each process owner is responsible for the effectiveness of internal controls. The Executive Board has overall responsibility for the internal control system.

Under a total quality management process — which includes continuous improvement measures — the standards, processes and responsibilities of the internal control system are continuously reviewed and adjusted and their effectiveness continuously monitored. The Executive Board currently has no indications that the internal control system or risk management system are inadequate or ineffective as a whole.

5. Forecast

Overall Economic Situation

Based on current forecasts for global economic development, we do not expect a substantial change in the business environment and anticipate only a slight recovery throughout 2025, particularly in German-speaking countries and the eurozone. We expect the growth observed in 2024 for important foreign markets such as North and South America and Southeast Asia to continue in 2025, making our business model significantly more resilient.

In recent years, trends such as digitalization and artificial intelligence have enabled the software industry to partially decouple itself from these macroeconomic trends. We therefore expect higher global growth rates of up to 10% in the industrial software sector in the short and medium term up to 2028. Differentiated by our main products, we expect medium-term growth rates of between 7–12%.

However, global political uncertainties, the existing shortage of skilled workers and the complex political framework conditions in Germany and Europe will also lead to significant risks.

As a provider of software products for operators of energy infrastructures, for the steel and automotive industries and for the logistics sector, the PSI Group is well positioned with sustainable and highly relevant products. With an order backlog of EUR 152 million as of December 31, 2024, the PSI Group has made a good start to the year. In the period up to the preparation of the consolidated financial statements for 2024, we were able to win significant major orders from existing customers and orders from new customers. Customer reactions at important trade fairs such as E-world 2025 and LogiMAT 2025 were also promising. The PSI Group has also taken its first successful steps towards the cloud transformation of its business model and has gained a strategic partner for the transformation process in Google Cloud.

In 2025, we expect the Grid & Energy Management business unit to catch up after the project business was severely impacted by the consequences of the cyberattack in 2024. With a high order backlog and market leadership in the German-speaking region, there are good prospects for achieving positive results again in 2025. The consolidation of PSI's energy-related activities into one business unit has created the conditions for supplying customers in the various energy sectors faster and more flexibly in the future with a uniform organizational structure. Overall, we are aiming for growth in revenues of over 10% and an adjusted EBIT margin of up to 4% in the Grid & Energy Management business unit.

In Process Industries & Metals, we expect demand in North America to remain high and development in Europe to remain subdued. Overall, we are aiming for growth in revenues of at least 10% and an adjusted EBIT margin of just under 10% in this business unit.

In the Discrete Manufacturing business unit, we will invest in the new, cloud-based MES product and the cloud/SaaS transformation of the business model in 2025. At the same time, the economic situation for this business remains challenging and the high level of consolidation and competitive pressure from large ERP providers is contributing to a challenging overall situation. On the other hand, there are still good opportunities thanks to continued high levels of investment in digital manufacturing. Due to this complex overall situation, we see our business as being subject to a high degree of volatility. In addition, investments in the new cloud/SaaS-based MES product are having a negative impact on the adjusted operating result. Against this backdrop, we expect the business unit to achieve sales growth of well over 10% and an almost balanced operating result with a correspondingly almost balanced adjusted EBIT margin.

We expect demand at Logistics to remain high in 2025. Overall, we are aiming to grow revenues by at least 10% in this business unit. Investments in a cloud/SaaS-capable product version of the Warehouse Management System (WMS) as well as further internationalization steps will also have a negative impact on adjusted EBIT in the Logistics business unit, meaning that we are aiming for a balanced adjusted operating result and a correspondingly balanced adjusted EBIT margin.

For the PSI Group, we expect growth in new orders and revenues of around 10% and an adjusted EBIT margin of around 4%.

Recurring revenues from maintenance, upgrade and SaaS contracts are expected to grow by up to 10%, amounting to approximately 42% of total consolidated revenues in the 2025 financial year. The share of international revenues will reach approximately 48% of consolidated revenues as in the previous year.

We expect to achieve a gross profit of at least 35% in the financial year. The total sum of sales, marketing and general administrative costs will not exceed 30% of consolidated revenues. We continue to assume that a free cash flow of at least EUR 15 million can be achieved.

Regarding our non-financial performance indicators, the values attained in 2024 should not decline significantliy in 2025.

Berlin, March 24, 2025

Robert Klaffus

Gunnar Glöckner

6. Group Non-Financial Statement

In an internal process, PSI assessed the non-financial areas of environment, customers, employees, society, human rights and combating corruption in terms of their materiality to the Group and derived non-financial key performance indicators on this basis. The PSI Group has used the international framework of the Global Reporting Initiative (GRI) as a basis for preparing its Group non-financial statement.

As PSI is a developer of specialized software solutions that does not manufacture any physical products, employee commitment and long-term customer relationships in particular are key to the PSI Group's success. For a detailed description of the business model, please refer to the Basic Information on the Group section of the Consolidated Management Report. In order to measure its performance with regard to these parameters, PSI calculates an employee commitment index and a customer loyalty index.

Employee commitment shows the employees' motivation and loyalty and the extent to which they identify with PSI. The employee commitment index includes average employee turnover, employee satisfaction and the average sick leave rate in the Group, with targets being defined for all three criteria. In the subsequent calculation of the index based on the respective level of target achievement, employee turnover and employee satisfaction are given a higher weighting than the sick leave rate. In 2024, the PSI Group achieved an employee commitment index score of 92%, which was above its target range (2023 score: 86%). This was as a result of a year-on-year reduction in staff turnover and a slightly lower sick leave rate while employee satisfaction remained constant. PSI attributes this to the continuing normalization of the labor market and sickness rate. For 2025, PSI is aiming for an index value of between 90% and 94%.

Long-term customer relationships form the basis for the PSI Group's sustained positive economic performance. The customer loyalty index therefore considers customers' willingness to enter into long-term maintenance and upgrade contracts and to provide a reference. Targets are defined and their achievement is measured both for the share of consolidated revenues attributable to maintenance and upgrade contracts and for the level of willingness to provide a reference. The target achievement levels calculated in this way are included in the index with equal weightings. The customer loyalty index score amounted to 92% in 2024 after 89% in the previous year, mainly reflecting the higher share of maintenance and upgrade revenues with a more or less unchanged willingness to provide a reference. The 2024 customer loyalty index was thus at the upper end of the targeted range. For 2025, PSI is aiming for an index value of between 90% and 94%.

Sustainability and CSR

Ever since the Company was founded in 1969, sustainability in customer projects as well as in-house processes combined with corporate social responsibility have always been very important issues for PSI. In addition to environmental and social concerns, this particularly includes the areas of employees and customers.

Transparent and Responsible Corporate Governance

PSI follows ethical principles in its dealings with customers, shareholders, employees, partners and competitors. These principles are set out in the Code of Conduct, which is publicly accessible on the Group's website at **www.psi.de/en/.** Here, PSI commits to fair business practices and compliance with legal standards for fair working conditions, protection of natural resources, fair business conduct and protection of intellectual property.

In addition to the Code of Conduct, PSI has adopted a guideline system that governs many different aspects of sustainable and responsible corporate governance. PSI once again complied with the recommendations of the Government Commission on the German Corporate Governance Code in 2024, with a small number of exceptions that are discussed in the declaration of compliance. The declaration of compliance, the corporate governance declaration and the remuneration report are published on the website of PSI Software SE at **www.psi.de/en/company/investor-relations/corporate-governance.**

Sustainability in PSI Products and Internal Processes

PSI supports the 17 sustainability development goals of the United Nations and its software products make a material contribution to the careful and sustainable use of energy, raw materials and labor in the energy industry and the production and mobility sector. In this way, PSI particularly contributes to the goal of sustainable energy supply (SDG 7), sustainable production (SDG 12), resilient infrastructure (SDG 9) and sustainable cities (SDG 11). PSI also indirectly helps combat climate change, end poverty, generate sustainable economic growth and promote decent work.

PSI's control systems for managing major energy grids have been and still are being continuously expanded with functions that enable the smart management of the feed-in of renewable energy. As a result, considerably more energy from renewable sources can be used and losses in the network minimized, while at the same time increasing security of supply. Together with partners from the energy industry and science, PSI is actively involved in developing the smart energy supply infrastructure of the future. This also includes new products for smart microgrids and charging infrastructure. PSI gas management systems support the integration of a higher proportion of hydrogen in the existing gas grid in order to be able to store excess wind power as "green hydrogen." Leak detection and location systems help reduce losses in the transport over long distances and avoid environmental damage. In 2024, PSI was among the finalists of the German Innovation Award with its PSIcontrol/Greengas product.

In industry, PSI software products assist in increasing efficiency and the responsible handling of energy, raw materials and labor. The use of PSI's algorithms based on artificial intelligence allows the optimization of assembly sequences in the automotive industry and production processes in the steel industry. This can significantly reduce the use of energy and resources. In the field of logistics, PSI has, among other things, developed new solutions for the dynamic control and operation of optimized logistics networks that help reduce transport costs and emissions by up to 10%.

Because PSI, as a software company, does not manufacture any physical products, PSI's business processes have only an insignificant impact on the environment and resources. Nevertheless, all employees are called on to use natural resources sparingly, to separate waste and recyclables and to consider the requirements of DIN EN ISO 14001. PSI's use of natural resources is essentially limited to the use of office supplies as well as energy and water in its office buildings and the use of means of transport on business trips.

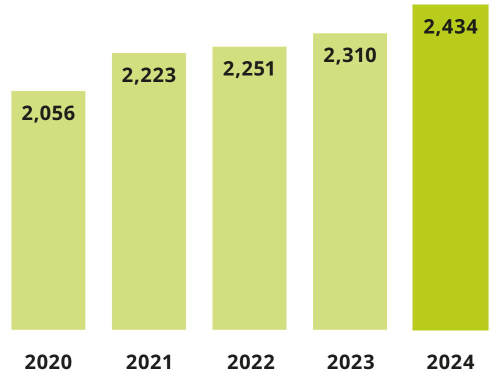
For its own infrastructure, PSI uses green IT equipment to save energy and resources. The cloud provider used by PSI internally and in customer projects has undertaken to reduce its greenhouse gas emissions by 65% to 2025 and to completely eliminate them by 2030. In Germany, PSI procures energy solely from renewable sources and uses cogeneration at its location in Aschaffenburg. At its Aschaffenburg site, PSI has also acquired charging stations which are operated by AVG (the local utility) and used for charging electric company cars and private electric vehicles.

To evaluate energy flows and potential for improvement in the area of energy efficiency, in 2020 PSI carried out an energy audit according to DIN EN 16247. PSI has participated in the Carbon Disclosure Project since 2011 and received a climate change score of C in 2024. As in previous years, PSI was again awarded the DZ Bank Seal of Quality for Sustainability in 2024. The Financial Times included PSI as one of a total of 36 technology companies in its list of Europe's Climate Leaders 2024. Implementation of environmental management is currently being evidenced by external energy audits and involvement in the Carbon Disclosure Project. In January 2024, the Aschaffenburg site was certified to DIN EN ISO 14001.

Employees and Social Commitment
Employee development and training are crucial for the functionality and innovativeness of the products developed by PSI. The main focus areas are specialist training for new employees at the international locations and in Germany and employee development. This takes place in the form of sales, project management and contract law training and courses relating to software tools. Group-wide cooperation on key cross-sector issues promotes the transfer of expertise and standardization within the Group. Employee qualification for the Group's successful cloud/SaaS transformation is particularly important for the strategic development of the Group.

In order to make contact with graduates in the relevant courses of study at an early stage, PSI is involved in promoting education and research in science and engineering. For example, at its main locations, the PSI Group has formed university partnerships that range from offering internships to cooperating on dual study programs. PSI is an industry partner of the logistics research cluster, a project partner in the environmentally friendly and sustainable energy engineering cluster and a technology partner in the European 4.0 Transformation Center on the RWTH Aachen Campus.

Number of Employees Increased
(employees on December 31)



One special aspect at PSI is that a significant share of PSI stock is held by employees and managers. Since 2011, PSI has issued staff shares to promote employee participation; these shares can be acquired for this purpose on the stock market, for example. The number of employees rose by 124 to 2,434 as at the end of the year.

PSI has been involved in social activities for many years. Examples include various regional initiatives to support charitable organizations based near PSI locations. In addition, PSI promotes team sports activities of various different employee groups by funding participation in competitions and equipment. PSI has repeatedly received awards as a highly desirable employer in recent years.

Information according to the EU Taxonomy
In connection with the objective of directing the flow of capital into ecologically sustainable economic activities, the European Union (EU) developed a classification system on sustainable economic activities for a total of six environmental objectives (EU Taxonomy).

Assessment of Taxonomy Eligibility
In view of the main activities of the PSI Group, the following product groups and services were classified as EU Taxonomy-eligible.

Contribution to climate change mitigation
In relation to climate change mitigation, we classified the activity “8.1 Data processing, hosting and related activities” as a Taxonomy-eligible activity. This includes the operation of the multi-cloud app store. Revenues are calculated in accordance with IFRS (in particular IFRS 15) and are equal to the revenues reported in our consolidated income statement. The development expenses for the PSI App Store were capitalized and recognized in accordance with IAS 38.

In addition, in relation to activity “8.2 Data-driven solutions for GHG emissions reductions,” we examined whether our services can be assigned to this category. It is true that various optimization solutions at PSI have functions to reduce greenhouse gas emissions, but they also support other optimization and efficiency targets and were not primarily developed to reduce greenhouse gas emissions. For this reason, in 2024 PSI did not recognize any revenues, operating expenditure or capital expenditure in connection with these activities that could be classified as Taxonomy-eligible. However, we expect that in the future our customers will increasingly request solutions to improve the sustainability of their business processes. This is why we anticipate that the share of revenues, operating expenditure and capital expenditure related to such solutions will increase over the next few years.

In addition to products and services, the activity “6.5 Transport by motorbikes, passenger cars and light commercial vehicles” should be classified as Taxonomy-eligible. The activity “6.5 Transport by motorbikes, passenger cars and light commercial vehicles” includes leasing contracts for company cars.

Contribution to climate change adaptation
In relation to climate change adaptation, we assessed the relevance of the activity “8.2 Computer programming, consultancy and related activities” as PSI is primarily active in computer programming, consultancy and related activities. Due to the special provisions on environmental objective 2 in accordance with (C/2023/305) and (2022/C 385/01), no revenues can be counted as Taxonomy-eligible for economic activities in the “adapted” category, in contrast to the “enabling” category. As activity 8.2 according to Annex II (2021) 2800 to Delegated Regulation 2020/852 is not an enabling activity, the resulting revenues are not Taxonomy-eligible. However, as a climate and vulnerability assessment and an investment plan are available for 8.2, the associated OpEx is considered eligible.

Calculation basis for revenues, operating expenditure and capital expenditure
Revenues are determined according to IFRS and correspond to the revenues recognized in our consolidated income statement and the revenues breakdown shown in the notes to the consolidated financial statements.

Operating expenditure was determined as defined by the EU Taxonomy and includes, inter alia, expenses for research and development, short-term leases and maintenance and repair expenses.

Capital expenditure was determined on the basis of the additions to non-current assets recognized in the consolidated financial statements.

Assessment of Taxonomy Alignment
In addition to Taxonomy eligibility, Taxonomy alignment also requires a substantial contribution to climate change mitigation or climate change adaptation, the specific DNSH criteria must be satisfied, as must the criteria of Appendices A, B, C and D to Annex I of Delegated Regulation (EU) 2021/2139, and minimum safeguards must be in place.

DNSH review and minimum safeguards review
In accordance with Appendix A, a climate risk and vulnerability assessment was conducted for all relevant locations, thereby ruling out specific climate risks. All relevant climate risks were then examined in detail for each of these locations and addressed in the course of risk management. The potential risk of environmental degradation related to preserving water quality and avoiding water stress in accordance with Appendix B is considered minor. As we were unable to identify a substantial contribution of Taxonomy-eligible activities, the DNSH review and minimum safeguards criteria are not applicable.

Contribution to climate change mitigation
In relation to climate change mitigation, the activity "8.1 Data processing, hosting and related activities" was classified as Taxonomy-eligible. However, as this activity did not yet satisfy the substantial contribution criteria in 2024, it was not yet Taxonomy-aligned, though this is intended.

The activity "6.5 Transport by motorbikes, passenger cars and light commercial vehicles" includes leasing contracts for company cars. According to the technical screening criteria in section 6.5 of Annex I to the Delegated Regulation, a vehicle with CO_2 emissions of 50 g CO_2/km or less is considered to make a substantial contribution to climate change mitigation. This includes electric vehicles and most plug-in hybrid vehicles.

Contribution to climate change adaptation
Activity "8.2 Computer programming, consultancy and related activities" was found to be Taxonomy-eligible regarding climate change adaptation. However, because some of the assessments for meeting the substantial contribution were unavailable for this activity in 2024, we classified the activity as not Taxonomy-aligned.

No additional aspects were identified that apply exclusively to PSI Software SE.

Berlin, March 24, 2025

Robert Klaffus   Gunnar Glöckner

EU Taxonomy Revenues

2024 Financial Year				Criteria for Substantial Contribution					
Economic Activities (1)	Code(s) (2)	Absolute Revenues (3)	Share of Revenues (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water and Marine Resources (7)	Circular Economy (8)	Pollution (9)	
		(in EUR million)	%	%	%	%	%	%	
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
thereof enabling activities		0.00	0%	0%	0%	0%	0%	0%	
thereof transitional activities		0.00	0%	0%	0%	0%	0%	0%	
Revenues from environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0.00**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	
A.2 Taxonomy-eligible activities that are not environmentally sustainable (Taxonomy non-eligible activities)									
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	
Data processing, hosting and related activities	CCM 8.1	0.36	0%	EL	N/EL	N/EL	N/EL	N/EL	
Revenues from Taxonomy-eligible activities that are not environmentally sustainable (Taxonomy non-aligned activities) (A.2)		**0.36**	**0%**	0%	0%	0%	0%	0%	
Total (A.1 + A.2)		**0.36**	**0%**	0%	0%	0%	0%	0%	
B. TAXONOMY NON-ELIGIBLE ACTIVITIES									
Revenues from Taxonomy non-eligible activities (B)		**260.48**	**100%**						
Total (A + B)		**260.84**	**100%**						

Y — Yes; activity is Taxonomy-eligible and Taxonomy-aligned with relevant environmental objective

N — No; activity is Taxonomy-eligible, but not Taxononmy-aligned with the relevant environmental objective

EL — “eligible”, activity is Taxonomy-eligible for the respective activity

N/EL — “not eligible”, activity is not Taxonomy-eligible for the respective objective

CCM — Climate Change Mitigation

CCA — Climate Change Adaption

	DNSH Criteria ("No Significant Harm")									
Biodiversity and Ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water and Marine Resources (13)	Circular Economy (14)	Pollution (15)	Biodiversity and Ecosystems (16)	Minimum Safeguards (17)	Taxonomy-Aligned Share of Revenues, 2023 (18)	Category (Enabling Activities) (19)	Category "(Tran-sitional Activities)" (20)
%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
0%	N	N	N	N	N	N	N	0%	E	
0%	N	N	N	N	N	N	N	0%		T
0%	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0%**	**0%**	**0%**
EL; N/EL										
N/EL								5%		
0%								5%		
0%								5%		

EU Taxonomy operating expenditure

2024 Financial Year				Criteria for Substantial Contribution				
Economic Activities (1)	Code(s) (2)	Absolute OpEx (3)	OpEx Share (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water and Marine Resources (7)	Circular Economy (8)	Pollution (9)
		(in EUR million)	%	%	%	%	%	%
A. TAXONOMY-ELIGIBLE ACTIVITIES								
A.1 Environmentally sustainable activities (Taxonomy-aligned)								
thereof enabling activities			0%	0%	0%	0%	0%	0%
thereof transitional activities			0%	0%	0%	0%	0%	0%
OpEx for environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0.00**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
A.2 Taxonomy-eligible activities that are not environmentally sustainable (Taxonomy non-eligible activities)								
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Transportation with motorbikes, passenger cars and light commercial vehicles	CCM 6.5	2.20	5%	EL	N/EL	N/EL	N/EL	N/EL
Provision of services in information technology	CCA 8.2	**41.29**	**89%**	EL	EL	N/EL	N/EL	N/EL
OpEx for Taxonomy-eligible activities that are not environmentally sustainable (Taxonomy non-eligible activities) (A.2)		**43.49**	**89%**	0%	89%	0%	0%	0%
Total (A.1 + A.2)		**43.49**	**89%**	0%	89%	0%	0%	0%
B. TAXONOMY NON-ELIGIBLE ACTIVITIES								
OpEx for Taxonomy non-eligible activities (B)		**2.79**	**6%**					
Total (A + B)		**46.28**	**95%**					

Y — Yes; activity is Taxonomy-eligible and Taxonomy-aligned with relevant environmental objective

N — No; activity is Taxonomy-eligible, but not Taxononmy-aligned with the relevant environmental objective

EL — "eligible", activity is Taxonomy-eligible for the respective activity

N/EL — "not eligible", activity is not Taxonomy-eligible for the respective objective

CCM — Climate Change Mitigation

CCA — Climate Change Adaption

DNSH Criteria ("No Significant Harm")

Biodiversity and Ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water and Marine Resources (13)	Circular Economy (14)	Pollution (15)	Biodiversity and Ecosystems (16)	Minimum Safeguards (17)	Taxonomy-Aligned OpEx Share, 2023 (18)	Category (Enabling Activities) (19)	Category "(Transitional Activities)" (20)
%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
0%	N	N	N	N	N	N	N	0%	E	
0%	N	N	N	N	N	N	N	0%		T
0%	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0%**	**0%**	**0%**
EL; N/EL										
N/EL								5%		
N/EL								92%		
0%								97%		
0%								97%		

EU Taxonomy investments

2024 Financial Year				Criteria for Substantial Contribution					
Economic Activities (1)	Code(s) (2)	Total CapEx (3)	CapEx Share (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water and Marine Resources (7)	Circular Economy (8)	Pollution (9)	
		(in EUR million)	%	%	%	%	%	%	
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
thereof enabling activities			0%	0%	0%	0%	0%	0%	
thereof transitional activities			0%	0%	0%	0%	0%	0%	
CapEx for environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0.00**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	
A.2 Taxonomy-eligible activities that are not environmentally sustainable (Taxonomy non-eligible activities)									
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	
Transportation with motorbikes, passenger cars and light commercial vehicles	CCM 6.5	1.16	8%	EL	N/EL	N/EL	N/EL	N/EL	
Data processing, hosting and related activities	CCM 8.1	0.73	5%	EL	N/EL	N/EL	N/EL	N/EL	
CapEx for Taxonomy-eligible activities that are not environmentally sustainable (Taxonomy non-aligned activities) (A.2)		**1.89**	**13%**	13%	0%	0%	0%	0%	
Total (A.1 + A.2)		**1.89**	**13%**	13%	0%	0%	0%	0%	
B. TAXONOMY NON-ELIGIBLE ACTIVITIES									
CapEx for Taxonomy non-eligible activities (B)		**12.30**	**87%**						
Total (A + B)		**14.19**	**100%**						

Y — Yes; activity is Taxonomy-eligible and Taxonomy-aligned with relevant environmental objective

N — No; activity is Taxonomy-eligible, but not Taxononmy-aligned with the relevant environmental objective

EL — "eligible", activity is Taxonomy-eligible for the respective activity

N/EL — "not eligible", activity is not Taxonomy-eligible for the respective objective

CCM — Climate Change Mitigation

CCA — Climate Change Adaption

DNSH Criteria (“No Significant Harm”)

Biodiversity and Ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water and Marine Resources (13)	Circular Economy (14)	Pollution (15)	Biodiversity and Ecosystems (16)	Minimum Safeguards (17)	Taxonomy-Aligned CapEx Share, 2023 (18)	Category (Enabling Activities) (19)	Category “(Transitional Activities)“ (20)
%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
0%	N	N	N	N	N	N	N	0%	E	
0%	N	N	N	N	N	N	N	0%		T
0%	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0%**	**0%**	**0%**
EL; N/EL										
N/EL								6%		
N/EL								6%		
0%								12%		
0%								12%		

Summary of Economic Activities

	Share of Revenues/ Total Revenues		OpEx Share/ Total OpEx		CapEx Share/ Total CapEx	
	Taxonomy-aligned per Objective	Taxonomy-eligible per Objective	Taxonomy-aligned per Objective	Taxonomy-eligible per Objective	Taxonomy-aligned per Objective	Taxonomy-eligible per Objective
CCM	0	0%	0	5%	0	13%
CCA	0	0	0	89%	0	0
WTR	0	0	0	0	0	0
CE	0	0	0	0	0	0
PPC	0	0	0	0	0	0
BIO	0	0	0	0	0	0

CCM Climate Change Mitigation
CCA Climate Change Adaptation
WTR Water and Marine Resources
CE Circular Economy
PPC Pollution Prevention and Control
BIO Biodiversity and ecosystems

Activities in the Area of Nuclear Energy and Fossil Gaseous Fuels

Activities in the area of nuclear energy	
The company is active in the area of research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. The company finances such activities or is exposed to risks in connection with these activities.	No
The company is active in the area of the construction and safe operation of new nuclear power plants, for the generation of electricity or process heat — including for the purposes of district heating or industrial processes such as hydrogen production — as well as their safety upgrades using best-available technologies. The company finances such activities or is exposed to risks in connection with these activities.	No
The company is active in the area of the safe operation of existing nuclear power plants, for the generation of electricity or process heat — including for the purposes of district heating or industrial processes such as hydrogen production — as well as their safety upgrades. The company finances such activities or is exposed to risks in connection with these activities.	No

Activities in the area of fossil gaseous fuels	
The company is active in the area of the construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. The company finances such activities or is exposed to risks in connection with these activities.	No
The company is active in the area of the construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. The company finances such activities or is exposed to risks in connection with these activities.	No
The company is active in the area of the construction, refurbishment, and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. The company finances such activities or is exposed to risks in connection with these activities.	No

Consolidated Financial Statements (IFRS)

of PSI Software SE for the
2024 Financial Year

Consolidated Balance Sheet
as at December 31 (IFRS)

in EUR thousand	Note	**2024**	2023
ASSETS			
Non-current assets			
Intangible assets	G. 1	72,328	73,112
Property, plant and equipment	G. 1	35,339	37,429
Investments in associated companies	D	693	693
Deferred tax assets	G. 14	5,357	8,133
		113,717	**119,367**
Current assets			
Inventories	G. 2	2,997	4,977
Net trade receivables	G. 3	50,355	48,315
Receivables from long-term development contracts	G. 4	45,296	49,552
Other assets	G. 5	9,626	6,135
Income tax receivables		7,050	4,332
Cash and cash equivalents	G. 6	26,483	50,475
Assets held for sale	H. 21	18,338	0
		160,145	**163,786**
		273,862	**283,153**

in EUR thousand	Note	2024	2023
EQUITY AND LIABILITIES			
Equity			
Share capital	G. 7	40,185	40,185
Capital reserves	G. 7	35,137	35,137
Reserve for treasury shares	G. 7	–4,698	–4,698
Other reserves	G. 7	–13,913	–18,544
Unappropriated surplus	G. 7	38,690	59,646
		95,401	**111,726**
Non-current liabilities			
Pension provisions and similar obligations	G. 8	35,715	42,958
Deferred tax liabilities	G. 14	3,108	4,803
Other liabilities	G. 12	694	534
Provisions	G. 9	954	1,032
Lease liabilities	G. 10	15,190	17,918
Financial liabilities	G. 11	9,639	13,189
		65,300	**80,434**
Current liabilities			
Trade payables	G. 12	21,163	18,864
Other liabilities	G. 12	29,248	32,801
Provisions	G. 9	1,783	3,017
Liabilities from long-term development contracts and deferred revenues	G. 4	20,877	26,289
Lease liabilities	G. 10	8,419	6,581
Financial liabilities	G. 11	21,081	2,118
Liabilities in connection with assets held for sale and from discontinued assets	H. 21	10,590	1,323
		113,161	**90,993**
		273,862	**283,153**

Consolidated Income Statement

for the period from January 1 to December 31 (IFRS)

in EUR thousand	Note	**2024**	2023
Revenues	H. 15	260,838	269,891
Other operating income	H. 16	11,945	17,055
Cost of materials	H. 17	–38,263	–46,117
Personnel expenses	H. 18	–190,111	–183,725
Depreciation and amortization	G. 1	–14,614	–14,598
Other operating expenses	H. 19	–45,039	–36,944
Operating result		**–15,244**	**5,562**
Investment income	H. 20	305	268
Interest and similar income		635	664
Interest and similar expenses		–3,569	–3,477
Earnings before taxes		**–17,873**	**3,017**
Income taxes	G. 14	–3,783	–3,748
Earnings after taxes from continuing operations		**–21,656**	**–731**
Earnings after taxes from discontinued operations	H. 21	**700**	**1,055**
Group net result		**–20,956**	**324**
Consolidated earnings per share (basic and diluted) (in EUR)	H. 22	–1.35	0.02
Share of earnings attributable to shareholders from continuing operations		**–1.40**	**–0.05**
Share of earnings attributable to shareholders from discontinued operations		**0.05**	**0.07**
Average shares outstanding (in thousands)	H. 22	15,488	15,606

Consolidated Statement of Comprehensive Income

for the period from January 1 to December 31 (IFRS)

in EUR thousand	**2024**	2023
Group net result	**–20,956**	**324**
Items that are reclassified to consolidated net result in subsequent periods **Currency translation of foreign operations**	**2,772**	**–679**
Items that are not reclassified to consolidated net result in subsequent periods Actuarial gains (previous year: losses)	2,651	–1,085
Income tax effects	–792	322
	1,859	**–763**
Other comprehensive income after taxes	**4,631**	**–1,442**
Consolidated total comprehensive income	**–16,325**	**–1,118**

Consolidated Cash Flow Statement

for the period from January 1 to December 31 (IFRS)

in EUR thousand	**2024**	2023
1. Cash flow from operating activities		
Consolidated earnings before income taxes	**–17,173**	**4,072**
Adjustment of annual earnings for non-cash transactions		
Amortization of intangible assets	3,873	4,074
Depreciation of property, plant and equipment	3,640	3,451
Amortization of right-of-use assets	7,101	7,073
Income from investments in associated companies	–305	–268
Interest income	–635	–664
Interest expense	3,569	3,477
Other non-cash income/expenses	–860	–1,056
	–790	**20,159**
Change in inventories	649	2,881
Change in trade receivables and receivables from long-term development contracts	–7,144	–5,397
Change in other current assets	–5,733	–1,409
Change in provisions	–2,161	–2,345
Change in trade payables	3,513	–4,133
Change in other non-current and current liabilities	–1,389	13,433
	–13,055	**23,189**
Income taxes paid	–6,625	–6,410
Cash flow from operating activities	**–19,680**	**16,779**
2. Cash flow from investing activities		
Outflows for investments in intangible assets	–4,764	–4,607
Outflows for investments in property, plant and equipment	–2,969	–3,049
Inflows from distributions by associated companies	198	163
Interest received	526	573
Cash flow from investing activities	**–7,009**	**–6,920**
3. Cash flow from financing activities		
Dividends paid to shareholders of the parent company	0	–6,195
Outflows for the repayment of lease liabilities	–6,566	–6,807
Interest paid on leases	–778	–539
Interest paid	–1,431	–931
Inflows/outflows from the repayment/borrowing of financial liabilities	14,091	9,509
Cash flow from financing activities	**5,316**	**–4,963**
4. Cash and cash equivalents at end of period		
Net change in cash and cash equivalents — continuing operations	–21,373	4,896
Exchange-rate-related changes in cash and cash equivalents	417	135
Cash and cash equivalents at beginning of period	50,475	45,444
Cash and cash equivalents at end of period	**29,519**	**50,475**
thereof disposal of cash and cash equivalents — assets held for sale	3,036	0

Consolidated Statement of Changes in Equity

for the period from January 1 to December 31 (IFRS)

in EUR thousand	Share capital	Capital reserves	Reserve for treasury shares
Balance as at December 31, 2022	**40,185**	**35,137**	**–4,698**
Group net result			
Other comprehensive income after taxes			
Consolidated total comprehensive income after taxes			
Dividend distribution to shareholders of the parent company			
Total capital transactions	**0**	**0**	**0**
Balance as at December 31, 2023	**40,185**	**35,137**	**–4,698**
Group net result			
Other comprehensive income after taxes			
Consolidated total comprehensive income after taxes			
Balance as at December 31, 2024	**40,185**	**35,137**	**–4,698**

Other reserves	Unappropriated surplus	Total
–17,102	**65,517**	**119,039**
	324	324
–1,442		–1,442
–1,442	**324**	**–1,118**
	–6,195	–6,195
0	**–6,195**	**–6,195**
–18,544	**59,646**	**111,726**
	–20,956	–20,956
4,631		4,631
4,631	**–20,956**	**–16,325**
–13,913	**38,690**	**95,401**

Consolidated Segment Reporting
for the period from January 1 to December 31 (IFRS)

	Energy Management		Production Management	
in EUR thousand	**2024**	2023	**2024**	2023
Revenues				
Revenues with third parties	131,126	138,855	129,712	131,036
Revenues with other segments	123	2,923	1,558	17,753
Total revenues	**131,249**	**141,778**	**131,270**	**148,789**
Segment operating result before depreciation and amortization	**–9,721**	**–890**	**11,040**	**27,541**
Segment operating result before depreciation and amortization from purchase price allocation	**–15,500**	**–7,215**	**5,254**	**20,832**
Depreciation and amortization from purchase price allocation	–459	–592	–467	–477
Segment operating result	**–15,959**	**–7,807**	**4,787**	**20,355**
Financial result/Investment income	–354	–827	–523	–95
Segment result before taxes	**–16,313**	**–8,634**	**4,264**	**20,260**

Consolidated Segment Reporting
for the period from January 1 to December 31 (IFRS)

	Grid & Energy Management	Process Industries & Metals	Discrete Manufacturing	Logistics
in EUR thousand	**2024**	**2024**	**2024**	**2024**
Revenues				
Revenues with third parties	115,647	65,719	29,979	31,424
Revenues with other segments	1,029	1,320	48	70
Total revenues	**116,676**	**67,039**	**30,027**	**31,494**
Segment operating result before depreciation and amortization	**–7,628**	**4,368**	**1,494**	**2,508**
Segment operating result before depreciation and amortization from purchase price allocation	**–14,412**	**1,688**	**386**	**721**
Depreciation and amortization from purchase price allocation	–385	–470	0	0
Segment operating result	**–14,797**	**1,218**	**386**	**721**
Financial result/Investment income	–1,140	–489	–356	–388
Segment result before taxes	**–15,937**	**729**	**30**	**333**

	Reconciliation		PSI Group	
	2024	2023	**2024**	2023
	0	0	260,838	269,891
	–1,681	–20,676	0	0
	–1,681	**–20,676**	**260,838**	**269,891**
	–1,949	**–6,491**	**–630**	**20,160**
	–4,072	**–6,986**	**–14,318**	**6,631**
	0	0	–926	–1,069
	–4,072	**–6,986**	**–15,244**	**5,562**
	–1,752	–1,623	–2,629	–2,545
	–5,824	**–8,609**	**–17,873**	**3,017**

	Other	PSI Group
	2024	**2024**
	18,069	260,838
	–2,467	0
	15,602	**260,838**
	–1,372	**–630**
	–2,701	**–14,318**
	–71	–926
	–2,772	**–15,244**
	–256	–2,629
	–3,028	**–17,873**

Development of Fixed Assets

for the period from January 1 to December 31, 2024 (IFRS)

	Costs				
in EUR thousand	Jan. 1, 2024	Exchange differences	Additions	Disposals	**Dec. 31, 2024**
Intangible assets					
Other intangible assets	36,154	37	470	6,272	30,389
Goodwill	61,414	1,522	0	3,081	59,855
Capitalized software development costs	13,745	0	4,294	0	18,039
	111,313	**1,559**	**4,764**	**9,353**	**108,283**
Property, plant and equipment					
Land and buildings	17,349*	32	56	74	17,363
Computers and computer accessories	27,641*	345	1,967	3,534	26,419
Other equipment, operating and office equipment	9,638*	72	946	633	10,023
Right-of-use assets from leases for immovable assets	46,348*	–177	5,121	2,851	48,441
Right-of-use assets from leases for movable assets	6,060*	–22	1,331	1,837	5,532
	107,036	**250**	**9,421**	**8,929**	**107,778**
Financial assets					
Investments in associated companies	693	0	0	0	693
	693	0	0	0	693
	219,042	**1,809**	**14,185**	**18,282**	**216,754**

* Restated
An appropriate allocation within the property, plant and equipment is made for a subsidiary.

Development of Fixed Assets

for the period from January 1 to December 31, 2023 (IFRS)

	Costs				
in EUR thousand	Jan. 1, 2023	Exchange differences	Additions	Disposals	**Dec. 31, 2023**
Intangible assets					
Other intangible assets	36,076	93	363	378	36,154
Goodwill	62,025	–611	0	0	61,414
Capitalized software development costs	9,501	0	4,244	0	13,745
	107,602	**–518**	**4,607**	**378**	**111,313**
Property, plant and equipment					
Land and buildings	17,410	–36	20	58	17,336
Computers and computer accessories	24,636	–60	2,137	654	26,059
Other equipment, operating and office equipment	10,636	–26	892	269	11,233
Right-of-use assets from leases for immovable assets	38,806	91	3,091	0	41,988
Right-of-use assets from leases for movable assets	7,128	0	3,781	489	10,420
	98,616	**–31**	**9,921**	**1,470**	**107,036**
Financial assets					
Investments in associated companies	694	0	0	1	693
	694	0	0	1	693
	206,912	**–549**	**14,528**	**1,849**	**219,042**

	Accumulated amortization/depreciation					Carrying amounts	
	Jan. 1, 2024	Exchange differences	Additions	Disposals	**Dec. 31, 2024**	**Dec. 31, 2024**	Dec. 31, 2023
	31,087	16	1,814	6,188	26,729	3,660	5,067
	2,299	53	0	0	2,352	57,503	59,115
	4,815	0	2,059	0	6,874	11,165	8,930
	38,201	**69**	**3,873**	**6,188**	**35,955**	**72,328**	**73,112**
	12,342*	31	320	28	12,665	4,698	5,007*
	21,960*	287	2,529	3,428	21,348	5,071	5,681*
	6,552*	50	791	549	6,844	3,179	3,086*
	25,063*	–110	5,850	2,332	28,471	19,970	21,285*
	3,690*	–66	1,251	1,764	3,111	2,421	2,370*
	69,607	**192**	**10,741**	**8,101**	**72,439**	**35,339**	**37,429**
	0	0	0	0	0	693	693
	0	0	0	0	0	693	693
	107,808	**261**	**14,614**	**14,289**	**108,394**	**108,360**	**111,234**

	Accumulated amortization/depreciation					Carrying amounts	
	Jan. 1, 2023	Exchange differences	Additions	Disposals	**Dec. 31, 2023**	**Dec. 31, 2023**	Dec. 31, 2022
	28,580	51	2,833	377	31,087	5,067	7,496
	2,258	41	0	0	2,299	59,115	59,767
	3,574	0	1,241	0	4,815	8,930	5,927
	34,412	**92**	**4,074**	**377**	**38,201**	**73,112**	**73,190**
	12,110	–36	319	58	12,335	5,001	5,300
	19,425	–47	2,130	659	20,849	5,210	5,211
	6,957	–22	1,002	267	7,670	3,563	3,679
	17,991	–66	5,308	0	23,233	18,755	20,815
	4,241	3	1,765	489	5,520	4,900	2,887
	60,724	**–168**	**10,524**	**1,473**	**69,607**	**37,429**	**37,892**
	0	0	0	0	0	693	694
	0	0	0	0	0	693	694
	95,136	**–76**	**14,598**	**1,850**	**107,808**	**111,234**	**111,776**

—— Notes to the Consolidated Financial Statements

PSI Software SE, Berlin, as at December 31, 2024

A. General Information on the Company

The parent company of the PSI Group is PSI Software SE (PSI SE, headquartered at Dircksenstrasse 42 to 44 in 10178 Berlin, Germany. It is entered in the commercial register of the Charlottenburg district court with the number HRB 255242.

The Executive Board prepared the consolidated financial statements as at December 31, 2024, and the consolidated management report for the 2024 financial year on March 24, 2025, approved them for publication and subsequently released them for submission to the Supervisory Board.

The business operations of the PSI Group comprise the development and sale of software systems and products that meet the specific needs and requirements of customers mainly operating in the following industries and service sectors: energy supply, production, infrastructure, software technology, internet applications and business consultancy. In addition, the PSI Group performs services of all kinds in the field of data processing, sells electronic equipment and runs data processing systems.

Since the end of the 2024 financial year, the PSI Group has been divided into the four main business units Grid & Energy Management, Process Industries & Metals, Discrete Manufacturing and Logistics.

The Company's shares are publicly listed in the Prime Standard on the German stock exchange in Frankfurt/Main (securities identification number (WKN A0Z1JH, ISIN DE000A0Z1JH9).

B. Basis of Preparation of the Financial Statements

General Information

The consolidated financial statements of the PSI Group are generally prepared on a going concern basis, with assets and liabilities being stated at amortized cost. The consolidated income statement is prepared using the nature of expense method. The Group presents assets and liabilities in the consolidated balance sheet according to their current or non-current components.

The consolidated financial statements of the PSI Group are prepared in accordance with the IFRS Accounting Standards (IFRSs) as adopted by the EU. The consolidated financial statements take into account all IFRSs published at the end of the reporting period and applicable in the European Union. The consolidated financial statements were prepared in euro. Unless specified otherwise, all figures are rounded up or down to the nearest thousand euro according to commercial rounding.

The accounting policies applied in the 2024 financial year are the same as those applied in the previous year.

C. Amended IASB Standards and Interpretations

Effects of New Accounting Standards Required to Be Applied in the Financial Year

The following amendments to Standards and Interpretations that were effective for the first time from January 1, 2024, had no effect on the consolidated financial statements:

Standard	Title	Date of publication
IFRS 7, IAS 7	Amendments to Supplier Finance Arrangements	May 2023
IAS 1	Classification of Liabilities as Current or Non-Current	January 2020
IAS 1	Non-Current Liabilities with Ancillary Conditions	October 2022
IFRS 16	Lease Liability in a Sale and Leaseback	September 2022

Accounting Standards Published But Not Yet Applied

The IASB has published the following amendments to standards and interpretations that do not become effective until subsequent reporting periods and are not being applied early by the Group:

Standard	Title	Effective date	Anticipated effect
IAS 21	Lack of Exchange-ability (amendments to IAS 21)	January 1, 2025	No impact
Endorsement pending			
IFRS 9, IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026	Effect still being examined
IFRS 9, IFRS 7	Contracts for Nature-Dependent Power Supply	January 1, 2026	Effect still being examined
IFRS 18	Presentation and Disclosures in the Financial Statements	January 1, 2027	Effect still being examined
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027	No impact
IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7	Annual Improve-ments to IFRS — Volume 11	Expected 2026/2027	Effect still being examined

D. Principles of Consolidation

a) Subsidiaries
The financial statements of the Group cover PSI SE and the companies it controls. The consolidated financial statements include PSI SE and its subsidiaries over which it exercises control as defined in IFRS 10. PSI SE controls an investee when it has direct or indirect power over the investee, is exposed to variable returns from the investee and has the ability to affect the investee's variable returns through its power over it. If control is lost, the subsidiary in question is no longer included in the scope of consolidation.

A total of 17 (previous year: 26) companies are consolidated in the consolidated financial statements, and one company (previous year: one) is included as an associated company. Of the 26 companies that were fully consolidated in the previous year, nine have been merged into PSI SE. No simplification rules are applied. One of the companies included in consolidation (previous year: 10) is located in Germany and 16 (previous year: 16) in other countries.

Besides this, there were no other changes in the consolidated companies. As well as PSI SE, all companies controlled by PSI SE were included in the consolidated financial statements, as in the previous year. Please refer to the list of shareholdings in section K.

Company acquisitions are accounted for using the acquisition method in accordance with IFRS 3. Companies acquired or sold during the financial year under review are included in the consolidated financial statements starting from the date of the acquisition or until the date of sale.

The excess of the cost of an acquisition over the interest in the fair value of the identifiable assets and liabilities acquired as at the date of the acquisition transaction is referred to as goodwill and recognized as an asset. The identifiable assets and liabilities recognized are measured at their fair values as at the acquisition date. Costs incurred as a result of the business combination are recognized as expenditure.

b) Associated companies
An associated company as defined by IAS 28 is a company in which the PSI Group typically holds more than 20% of the voting rights and over which the Group has significant influence. Investments in associated companies are accounted for using the equity method. In accordance with the equity method, investments in an associated company are recognized in the consolidated balance sheet at cost plus changes in the Group's share of the associated company's net assets that occurred after the acquisition. The consolidated income statement includes the share of the associated company's profit or loss attributable to the Group. Changes reported directly in the associated company's equity are recognized by the Group in the amount of its share in the consolidated statement of changes in equity where appropriate. Unrealized gains and losses from transactions between the Group and the associated company are eliminated in line with the share in the associated company.

The investment in the following associated company is measured using the equity method:

– caplog-x GmbH, Leipzig, 31.3% (previous year: 31.3%)

caplog-x GmbH's net income is recognized in the consolidated financial statements in the amount of this interest under "Income from equity investments." The figures taken from caplog-x GmbH's balance sheet and income statement are as follows:

in EUR thousand

caplog-x GmbH	**31.3% 2023**	**100% 2023***	**31.3% 2022**	**100% 2022**
Share in the assets and liabilities of the associated company:				
Non-current assets	330	1,053	387	1,238
Current assets	1,492	4,767	1,178	3,763
Current liabilities	911	2,912	691	2,208
Equity	**911**	**2,908**	**874**	**2,793**
Share of the revenues and earnings of the associated company:				
Revenues	3,412	10,901	2,822	9,016
Earnings	305	972	268	857
Carrying amount of the equity investment as at Dec. 31, 2024	693			

* The PSI Group had not yet received the annual financial statement figures for the 2024 financial year at the time that its balance sheet was prepared.

c) Consolidation measures and uniform measurement throughout the Group

The annual financial statements of the subsidiaries and associated companies included in the consolidated financial statements are based on uniform accounting standards and reporting periods/reporting dates.

Intragroup balances and transactions and resulting intragroup gains and unrealized gains and losses between consolidated companies were eliminated in full. Unrealized losses were only eliminated if the transactions did not provide evidence of an impairment of the asset transferred.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent market participants at the measurement date. In a fair value measurement, it is assumed that the transaction in which the asset is sold or the liability is transferred takes place either in the

– principal market for the asset or liability or

– most advantageous market for the asset or liability, if there is no principal market.

The Group must have access to the principal market or to the most advantageous market. The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability. It is assumed that the market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available for measuring the fair value. In doing so, the use of relevant, observable inputs is maximized and that of unobservable inputs is minimized.

All assets and liabilities whose fair value is determined or reported in the financial statements are classified in the fair value hierarchy described below based on the lowest-level input that is significant to the entire fair value measurement:

– Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities;

– Level 2 — Valuation methods in which the lowest-level input that is significant to the entire fair value measurement is directly or indirectly observable on the market;

– Level 3 — Valuation methods in which the lowest-level input that is significant to the entire fair value measurement is not observable on the market.

In the case of assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether there have been any transfers between the levels of the hierarchy by reviewing the classification at the end of each reporting period.

Foreign Currency Translation and Measurement

PSI's consolidated financial statements are prepared in euro, the functional currency and presentation currency of the Group. Each company within the Group determines its own functional currency. The items included in the respective company's financial statements are measured using this functional currency. Foreign currency transactions are initially translated at the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into the functional currency at the closing rate. All associated exchange differences are recognized in the net profit or loss for the period. Non-monetary items of the consolidated balance sheet in foreign currencies are updated at historical exchange rates.

The functional currency of the main foreign companies is generally the respective local currency. As at the end of the reporting period, the assets and liabilities of these subsidiaries are translated into the presentation currency of PSI SE (the euro) at the closing rate. For practical reasons, income and expenses are translated at the average rate in the respective financial year. The effects of using the average rate as compared to the rate on the transaction date are immaterial overall for the financial year and for the previous year. The exchange differences that arise on translation are recognized in equity under other reserves.

E. Significant Judgments, Estimates and Assumptions

In the process of applying the accounting policies, management has made the following judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the statements.

In applying the Group's accounting policies, management did not make any judgments that have a significant impact on the amounts in the consolidated financial statements, with the following exceptions.

Recognition of intangible assets (software development costs): The PSI Group recognizes expenses for internally generated intangible assets when incurred. In exceptional cases — to a limited extent — development expenses that are incurred in development projects over multiple periods and that satisfy all the criteria of IAS 38 are capitalized and amortized over the estimated useful life of up to five years. Assessing whether internally generated intangible assets from development activities meet the criteria for recognition requires the exercise of judgement, in particular in the following areas:

- Assessing whether activities should be classified as research or development activities requires the application of criteria in which these activities differ.

- Assessing whether the recognition criteria for intangible assets have been met requires assumptions regarding market conditions, customer demand and other future developments.

- The term "technical feasibility" is not defined in the IFRSs. Assessing whether the completion of an asset is technically feasible therefore requires an approach specific to the Company that unavoidably entails the exercise of judgment.

- Assessing whether the asset in development can be used or sold in the future and assessing whether this use or sale is likely to create future benefits requires assumptions regarding future market developments and investment by customers.

These judgments affect the total amount of the intangible assets that we report in our consolidated balance sheet and the timing of the recognition in profit or loss of development expenses that are included in staff costs and other operating expenses.

The main assumptions regarding the future and other major sources of estimation uncertainty at the end of the reporting period that entail a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. Estimates and assumptions are based on historical information and planning data and information on economic conditions in the sectors or regions in which PSI customers operate. Changes to these may adversely affect the estimates. Even if management believes that its estimates regarding the future development of underlying uncertainties are appropriate, it cannot guarantee that the financial impact of these will reflect the assumptions taken into account for the assessment of the reported assets, liabilities, income and expenses and the contingent liabilities disclosed in PSI's consolidated financial statements. Actual results may differ from the original estimates and assumptions made by management.

Impairment of non-current assets: The PSI Group tests non-current assets for impairment once a year based on the provisions of IAS 36. The impairment tests are based on the future surplus cash generated for individual assets or for groups of assets combined in cash-generating units. An asset or a cash-generating unit is impaired if its carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value, less costs to sell and its value in use. Value in use is calculated using the discounted cash flow method. The recoverable amount depends on the discount rate used when applying the discounted cash flow method as well as on the expected future cash inflows and the growth rate used for extrapolation purposes. Significant non-current assets that are tested for impairment on an annual basis relate to the goodwill reported in the PSI Group. Further details with regard to impairment testing can be found in section G. 1 of the notes. Changes in the carrying amounts of capitalized development costs are shown in Segment Reporting and Development of Fixed Assets on pages 74 to 77.

Project valuation: The PSI Group recognizes revenues for software development over time. If software development services are performed on the basis of fixed-price projects, the amount of the revenues recognized over time is calculated based on the estimated performance in the projects. Performance estimates are based on an estimated hourly volume and estimated costs for purchased services and are continuously updated. Estimating the volume of hours in software development projects requires assumptions regarding the services yet to be performed for the customer, when these services will be performed and other contractual aspects agreed with the customer. Further details on the income recognized for projects but not yet invoiced are provided in section G. 4.

Deferred taxes: Deferred tax assets are recognized for all unused tax loss carryforwards and temporary differences to the extent that it is probable or there is convincing evidence that taxable income will be available for this purpose, meaning that the tax benefits depicted can actually be used in the near future. To determine the amount of the deferred tax assets, management must make an estimate based on the expected timing and amount of future taxable income and on the future tax planning strategy (timing of tax results, taking tax risks into account, etc.). Further details are presented in section F. under "Deferred taxes."

When determining valuation allowances on receivables on the basis of expected defaults/losses, to a significant degree estimates and judgments have to be made regarding individual receivables that are based on the creditworthiness of the customer in question and on current economic developments. These take information about customer ratings — if available — into account. Further details are presented in section F. under Financial Risk Management Objectives and Methods.

Pensions and other post-employment benefits: The expenses from post-employment defined benefit plans and the present value of the pension liability are determined using actuarial calculations. The actuarial valuation is based on assumptions relating to discount rates, the expected retirement age, future increases in wages and salaries, mortality and future pension increases. In view of the long-term nature of these plans, such estimates are subject to significant uncertainties. All assumptions are reviewed at the end of each reporting period. Management determines an appropriate discount rate based on the interest rates of corporate bonds that are denominated in the same currency as the post-employment benefit obligation and have a rating of at least AA from an internationally recognized rating agency. Where necessary, these interest rates are adjusted to the expected duration of the defined benefit obligation by way of extrapolation along the yield curve. Further details are presented in section G. 8.

F. Presentation of Accounting Policies and Financial Risk Management Methods

Non-Current Assets

a) Intangible assets

Intangible assets are initially measured at cost. Intangible assets are recognized if it is probable that the future economic benefits attributable to the asset will flow to the Company and if the cost of the asset can be measured reliably. For the purposes of subsequent measurement, intangible assets are recognized at cost less accumulated amortization and accumulated impairment losses (reported under depreciation and amortization). The amortization period and the amortization method are reviewed at the end of each financial year.

Intangible assets comprise:

Goodwill

Goodwill from a business combination is initially measured at cost, which is calculated as the excess of the cost of the business combination over the PSI Group's interest in the fair values of the identifiable assets acquired and the identifiable liabilities and contingent liabilities assumed. After initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment at least once a year or when facts or changes in circumstances indicate that its carrying amount may have decreased. To check whether goodwill acquired in a business combination is impaired, this goodwill must be allocated to a cash-generating unit. If the recoverable amount of the cash-generating unit is lower than its carrying amount, an impairment loss must be recognized.

Other intangible assets
Amounts paid to purchase industrial property rights and license rights are capitalized and subsequently amortized on a straight-line basis over their expected useful lives (three to eight years).

The acquisition cost of new software is capitalized and treated as an intangible asset, provided it does not constitute an integral part of the related hardware. Software is amortized on a straight-line basis over a period of three to five years.

Costs incurred to restore or maintain the future economic benefits that the Company had originally expected are recognized as an expense.

Research and development costs
Research costs are recognized as an expense in the period in which they are incurred. Development costs for an individual project are only capitalized as an internally generated intangible asset if the criteria for capitalization under IAS 38.57 “Intangible Assets” are met on a cumulative basis.

After initial recognition, capitalized development costs are accounted for at cost less accumulated amortization. The amortization period is typically between three and five years.

b) Property, plant and equipment
Property, plant and equipment is measured at cost less any accumulated depreciation and any accumulated impairment losses. For property, plant and equipment acquired as part of business combinations, cost corresponds to the fair value at the acquisition date. If items of property, plant and equipment are sold or scrapped or if no further economic benefit is expected from their use, then the corresponding cost and accumulated depreciation are derecognized. Any realized gain or loss on disposal is reported in the consolidated income statement.

The cost of an item of property, plant and equipment comprises the purchase price including the costs necessary to bring the item into condition for its intended use. Subsequent expenses such as servicing and maintenance costs that arise after the fixed assets have started being used are recognized as an expense when incurred. If it is likely that expenses will result in the Company receiving future economic benefits in excess of the originally assessed performance of the existing asset, these expenses are capitalized as additional costs of property, plant and equipment.

Depreciation is calculated on a straight-line basis over an anticipated useful life, assuming a residual carrying amount of EUR 0. The following expected useful lives are used for the individual asset groups:

Buildings	25 to 50 years
Exterior facilities, other constructions	10 to 20 years
Computer hardware	3 to 7 years
Leasehold improvements	Based on remaining term of the lease or actual useful life if shorter
Other office equipment	5 to 13 years

The useful lives and depreciation method for property, plant and equipment are reviewed on an annual basis to ensure that the depreciation method and depreciation period are consistent with the expected pattern of economic benefits from the items of property, plant and equipment.

c) Property, plant and equipment/leases — the Group as a lessee
In leases, the PSI Group is solely a lessee. Determining whether an arrangement is or contains a lease is based on the economic substance of the arrangement and requires an assessment as to whether the fulfillment of the contractual arrangement is dependent on the use of a specific asset or assets and whether the arrangement grants a right to use the asset.

The PSI Group has essentially entered into leases for properties, vehicles and hardware (servers). In accordance with IFRS 16, the Group recognizes right-of-use assets and lease liabilities as at the commencement date for leases with a term of more than twelve months, provided the underlying asset is not of low value. Rights of use are measured at cost less any accumulated amortization. The costs of rights of use include the recognized lease liabilities, the initial direct costs incurred and the lease payments made at or before the commencement date, less any lease incentives received. Extension options are included in the term of the lease if it is reasonably certain that they will be exercised.

Rights of use are amortized on a straight-line basis over the term or the expected useful life of the leases as follows:

Properties	2 to 10 years
Movable assets	2 to 5 years

In calculating the present value of the lease payments, the Group uses the incremental borrowing rate as the interest rate implicit in the lease cannot be readily determined. The carrying amount of the lease liabilities is also adjusted in the case of changes in the lease, the term, the lease payments, or the assessment.

An overview of the maturities of lease liabilities is presented in section G. 10.

Other financial obligations from short-term leases and low-value leases that do not come under IFRS 16 as a result of applying the exemption are shown in section K. under "Other Financial Obligations and Contingent Liabilities."

d) Impairment of non-current, non-financial assets
Non-current assets are tested for impairment when facts or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In the first step of the impairment test, the recoverable amount of the asset or cash-generating unit must initially be determined. This is defined as the higher of fair value less costs to sell and value in use. Fair value less costs to sell is defined as the price that can be achieved in a sale of an asset or cash-generating unit between two knowledgeable, willing and independent business partners, less the costs to sell. The value in use of an asset or a cash-generating unit is determined by its present value in its current use on the basis of expected cash flows. No impairment of non-current assets was recognized in the past financial year or in the previous year.

Financial Assets

In the past financial year and in the previous year, the PSI Group only held financial assets in the form of originated loans and receivables recognized at amortized cost. Financial assets are included in the balance sheet items trade receivables, other assets and cash and cash equivalents.

Originated loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are measured at amortized cost using the effective interest method. Gains and losses are recognized in the net profit or loss for the period when the loans and receivables are derecognized or impaired.

In accordance with IFRS 9, the PSI Group recognizes loss allowances for expected credit losses on all financial assets and contract assets in accordance with IFRS 15 using the expected loss model. Expected credit losses are recognized as a collective impairment. On the initial measurement of financial assets, all credit losses expected over the lifetime of the respective receivables are taken into account using a simplified impairment approach. The losses are estimated using a provision matrix. Moreover, loss allowances for individual financial assets are recognized when there is objective evidence of permanent impairment. Receivables and other financial assets are derecognized in full or in part when there is no reasonable expectation of recovery.

As in the previous year, the carrying amounts of the financial assets correspond to their fair values.

Discontinued Operation, Assets and Liabilities Held for Sale

A part of the Group whose operations and cash flows can be clearly distinguished, operationally and for financial reporting purposes, is reported as a discontinued operation when:

– its carrying amounts will be recovered principally through a sale transaction rather than through continuing use;

– there has been a resolution to discontinue its operations and discontinuation has begun, the operation has been classified as a segment and there is a coordinated plan for discontinuation.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated income statement. When operations are classified as discontinued operations, the consolidated income statement and the consolidated statement of cash flows for the comparative period are restated as if the operation had been classified as discontinued from the start of the comparative period.

In the consolidated balance sheet, non-current and current assets and liabilities are assigned to the discontinued operation if these will be recovered principally through a sale transaction, a permanent disposal, rather than through continuing use. The sale or disposal must be expected within one year from the date of the classification. The assets and liabilities intended for disposal are therefore reported separately as a current item in the consolidated balance sheet. They are recognized at the lower of carrying amount or fair value, and non-current assets are no longer depreciated or amortized. Impairment losses are recognized in profit or loss on initial classification. Impairment on subsequent measurement after initial classification is recognized in the profit or loss of the discontinued operation.

The PSI Group classifies an asset or liability as held for sale if its carrying amount is recovered principally through a sale transaction rather than through continuing use.

Financial Liabilities

The financial liabilities included in the PSI Group's consolidated financial statements are recognized under "Trade payables," "Other liabilities," "Lease liabilities" and "Financial liabilities." There is a reconciliation to the individual financial liabilities in section G. 12.

On initial recognition, financial liabilities are accounted for at cost, which corresponds to the fair value of the consideration given; transaction costs are included.

Financial liabilities are no longer reported when they are repaid, i.e., when the obligations specified in the contract have been settled, canceled or have expired.

As in the previous year, the carrying amounts of the financial liabilities generally correspond to their fair values.

Financial Risk Management Objectives and Methods

The main financial instruments used by the Company to finance its operating business are cash funds, available-for-sale financial assets and current financial liabilities. There are also current receivables and liabilities from long-term development contracts, which are also covered by financial risk management. The main risks result from market, default/credit and liquidity risks.

a) Market risk
The Group is exposed to currency risks as a result of its operating activities and net investments in foreign subsidiaries. For significant loans issued within the Group, a sensitivity analysis in relation to exchange rates was performed in order to illustrate possible effects on the Group net result. If the EUR/MYR exchange rate had been 2% lower as at December 31, 2024, this would have resulted in a decrease in the Group net result of approximately EUR 30 thousand (previous year: 2%, EUR 35 thousand). Conversely, a 2% increase in the EUR/MYR exchange rate would have meant an increase in the Group net result before taxes of approximately EUR 30 thousand (previous year: 2%, EUR 35 thousand). Due to the low significance of interest-bearing liabilities, interest risks exist only to a limited extent.

b) Default/credit risk
Credit risk, or the risk that a counterparty might fail to meet its payment obligations, is managed by using credit facilities, defining pre-financing ratios for specific orders and applying monitoring procedures. The Group only enters into transactions with creditworthy third parties. A credit assessment is performed for all customers wishing to enter into transactions with the Group on a credit basis. As most of the PSI Group's customers are well-known major companies from the energy and utilities sector or the steel and automotive industry that have good or very good credit quality, the Executive Board believes that the overall receivables portfolio of the PSI Group has a lower-than-average risk profile in comparison to other software providers. Concentrations of risk may arise with individual customers or groups of customers that are exposed to the same risk scenarios or operate in the same type of environment (same sector, same customers, same sales region, same currency, etc.). For trade receivables, contract assets and other financial receivables, expected credit losses are reported using the simplified method over the remaining term, which is typically not more than 12 months for these assets. For trade receivables, contract assets and other financial receivables with a remaining term of less than 12 months and for which a significant increase in credit risk is not assumed (class 1), there are historic credit risks of between 0.0% and 0.1% of the corresponding nominal amounts. For practical reasons, an expected credit loss of 0% is assumed for class 1 assets. For all other assets that have either a longer term or a higher credit risk (class 2), the expected credit loss is determined individually for each asset. A significant credit risk is assumed if there are delays in payment or external information indicates a deterioration in credit ratings. The average value of the credit risk for class 2 assets is historically between 50.0% and 75.0%. Depending on the geographic region, a default or the classification of a trade receivable, contract asset or other financial receivable is assumed after 180 or 360 days.

c) Liquidity risk
The Group continuously monitors the risk of a liquidity shortage using liquidity planning tools (maturity, expected cash flows). The aim of this monitoring is to maintain a balance between continuously covering financing requirements and ensuring flexibility. In monitoring the financial balance, it is particularly important to monitor project financing. The PSI Group strives to maximize the prefinancing ratio (ratio of advance payments received for projects to receivables from long-term development contracts) for each project. As there are significant differences in customers' payment history in relation to pre-financing depending on the industry in which the customers operate, the PSI Group has not made any specifications with regard to the exact amount of prefinancing. A sufficient prefinancing ratio is strived for throughout the Group. There are no further individual targets for key figures in the area of liquidity monitoring. Information on the categories and development of financial assets and financial liabilities is provided in section F.

The PSI Group was the target of a cyberattack in the 2024 financial year. The incident was discovered by the internal IT department on the night of February 14 to February 15, 2024. Most of the PSI Group's IT systems were taken offline and shut down. In addition, as a precautionary measure, all site-to-site connections from the corporate network to the customers' networks were terminated. The PSI Group has been working on restoring all relevant IT systems since February 15, 2024. From mid-February to the end of April

2024, the PSI Group was limited in its ability to carry out central activities of its business model. Even after major parts of the internal IT system were restored, some of these restrictions persisted because subsystems of the IT infrastructure could not be brought back online with up-to-date data. As a result of the restrictions described above, the ability to provide the full range of services to end customers was particularly affected. As a result, the PSI Group was not able to achieve the originally targeted level of revenues in the period presented and had to incur unplanned expenses for restarting the IT systems. To cope with the considerable economic consequences of the cyberattack, various measures have been introduced in the PSI Group that have been or will be able to partially offset the economic impact. The PSI Group assumes that the cyberattack has resulted in negative earnings effects for the 2024 financial year of around EUR 27 million and an unplanned outflow of cash and cash equivalents of EUR 29 million. Based on the liquidity planning for the 2025 financial year, the PSI Group assumes that — as in the past — it will be able to meet all due payment obligations at all times and that various measures can be taken to significantly increase liquidity again in the 2025 financial year.

d) Capital management

The primary objective of the PSI Group's capital management is to ensure that a high credit rating and a corresponding equity ratio of at least 30% are maintained so as to support operating activities and maximize shareholder value.

The PSI Group manages its capital structure in line with the prevailing economic conditions. In the financial year that has just ended and in the year previous to that, no adjustment measures or amendments were made to capital management goals and targets.

The PSI Group monitors its capital using the equity ratio on a consolidated basis. The PSI Group is not subject to any externally imposed capital requirements.

Current Assets

a) Inventories

Inventories comprise goods held for sale, typically hardware, licenses and accessories, and relate directly to existing contracts with customers. They are measured at the lower of cost or net realizable value. Valuation and consumption sequence simplification procedures are not applied.

b) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances and short-term time deposits with maturities of three months or less and earning interest at an average effective rate of 1.00%. Cash and cash equivalents are measured using the general impairment approach in accordance with IFRS 9. The cash funds reported in the consolidated statement of cash flows exclusively contain cash and cash equivalents. The fixed-term deposits and bank balances are not past due; default risks were calculated and not recognized due to immateriality.

Equity

Equity comprises the share capital, the capital reserve, treasury shares, other reserves and accumulated profit or loss.

The capital reserve includes premiums in accordance with section 150 of the German Stock Corporation Act (AktG) and offset loss carryforwards in line with resolutions on the allocation of earnings.

Retained earnings in the unappropriated surplus include earnings allocations in accordance with section 174 AktG.

If the PSI Group acquires treasury shares, these are deducted from equity. The purchase, sale, issue, or withdrawal of treasury shares is not recognized in profit or loss.

Other reserves include unrealized gains and losses from currency translation and actuarial gains and losses from the measurement of pension provisions.

Pension Provisions and Similar Obligations

The PSI Group has several defined benefit pension plans for vested and current benefits for active and former employees as well as, in some cases, their surviving dependents. In some cases, there are plan assets in the form of pension liability insurance for the defined benefit plans. The expenses for benefits granted under the defined benefit plans are calculated separately for each plan using the projected unit credit method. Actuarial gains and losses are recognized directly in other comprehensive income.

Provisions

Provisions in accordance with IAS 37 are recognized if the PSI Group has a present (statutory, contractual, or constructive) obligation due to a past event, if it is likely that the settlement of the obligation will result in an outflow of resources that represents an economic benefit and if the amount of the obligation can be estimated reliably. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If the corresponding interest effect is material, the amount of the provision corresponds to the present value of the expenses likely to be required to settle the obligation. Where discounting is used, the increase in the provision to reflect the passage of time is recognized as borrowing costs.

Government Grants

Government grants are recognized if there is reasonable assurance that the grant will be received and that the Company will comply with the conditions attaching to it. Government grants are recognized in profit or loss as scheduled in line with the recognition of the related costs which they are intended to compensate. Income generated in connection with the grants is reported as other operating income in the consolidated income statement.

In the reporting year, the PSI Group received subsidies totaling EUR 4,827 thousand (previous year: EUR 5,686 thousand) under various subsidy programs, including programs offered by the German federal government, the State of Berlin, the European Union and other public sector sources outside Germany. As in the previous year, the subsidies granted were recognized in profit or loss and reported as other operating income. Besides the obligation to demonstrate the amount of the expenses for which the subsidies were granted, there are no further conditions or obligations arising from the subsidy projects.

Research and Development Costs

The research and development costs included in the consolidated income statement amounted to EUR 41.3 million in the financial year (previous year: EUR 39.2 million) and essentially relate to personnel expenses.

Revenues

The PSI Group primarily generates its revenues from software development and maintenance and from issuing licenses for the use of its own software products to end customers, both with and without customer specific adjustments. Revenues are also generated from the sale of hardware and services. All of the revenues generated by the PSI Group as a contracting entity are generated directly with customers.

The PSI Group recognizes revenues when control over definable goods or services is transferred to the customer, i.e. when the customer has the ability to determine the use of the transferred goods or services and primarily derives the remaining benefits from them. Revenues from software development and maintenance are recognized over time, while revenues from licenses and hardware are recognized at a point in time if the respective services are agreed upon individually with the customer.

Revenue recognition is subject to the condition that there must be a contract with enforceable rights and obligations and that receipt of the consideration must be probable, taking the customer's creditworthiness into account. The revenues correspond to the transaction price to which the PSI Group is expected to be entitled. Variable consideration is included in the transaction price if it is highly likely that there will not be a significant reduction in revenues once there is no longer any uncertainty in connection with the variable consideration. If there is a period of more than twelve months between the transfer of the goods or services and the payment date and if the financing results in a significant benefit for the customer or the PSI Group, the consideration is adjusted for the time value of the money. With the exception of statutory warranty obligations, the PSI Group does not have any post-contractual performance obligations.

If a contract includes multiple distinct goods or services, the transaction price is allocated to the performance obligations based on the relative individual selling prices, if the performance obligations can be realized separately from each other according to objective criteria. For each performance obligation, the corresponding revenues are recognized either at a point in time (licenses and hardware) or over time (software development and maintenance).
If the individual performance criteria cannot be considered separately according to objective criteria, revenues are recognized in line with the primary performance component.

Receivables from revenues recognized according to the percentage of completion method are contract assets and are reported in the consolidated balance sheet as receivables from long-term development contracts. Under the typical payment terms of a contract, payments are made by the customer as performance progresses to cover significant portions of costs incurred and partial profits. These contingent payments are recognized as advance payments and reduce receivables from long-term development contracts. If advance payments exceed the receivables from long-term development contracts, this gives rise to contract liabilities that are reported as liabilities from long-term development contracts. Furthermore, revenues from maintenance contracts that are recognized over time are deferred in the consolidated balance sheet as contract liabilities. The corresponding maintenance revenues are reversed on a straight-line basis over the agreed contract term.

Trade receivables are recognized when the claims for payment by customers become unconditional, regardless of the type of performance.

a) Software development
Revenues are recognized over a specific period in line with the percentage-of-completion method based on the ratio of the costs already incurred to the estimated total costs. An anticipated loss from a contract is immediately recognized as an expense. Invoices are issued in accordance with the contractual conditions; the payment terms usually stipulate payment within 30 days of the invoice being issued. With the percentage-of-completion method, the estimate of the percentage of completion is particularly important; in addition, it may include estimates regarding the scope of deliveries and services required to fulfill the

contractual obligations. These significant estimates comprise the estimated total costs, total estimated revenues, order risks — including technical, political and regulatory risks — and other relevant parameters. Under the percentage-of-completion method, changes in estimates may increase or reduce revenues. It must also be assessed whether the continuation of the contract in question or its termination represents the most likely scenario. For this assessment, all relevant facts and circumstances must be taken into account individually for each contract.

b) Sale of licenses
The PSI Group recognizes its revenues on the basis of a corresponding contract as soon as the license has been delivered, the selling price is fixed or determinable, there are no significant obligations to customers and collection of the receivables is considered probable. The delivery of a license to the customer occurs when the customer confirms that it has obtained the ability to technically install the license on hardware in its possession or in the possession of a third party. A payment obligation on the part of the customer typically arises on delivery of the license.

c) Maintenance
Revenues from maintenance agreements are recognized on a straight-line basis over the term of the agreement on the basis of past experience. Revenues from maintenance are reported in the notes to the consolidated financial statements with revenues from software development. Revenues from software-as-a-service and upgrade-as-a-service models are recognized as software maintenance.

d) Merchandise
Income from the sale of merchandise is recognized at a point of time when control passes to the customer. The point in time at which control passes is determined subject to the delivery agreement with the customer. Income from the sale of hardware is reported under revenues from merchandise.

Current Tax Assets and Liabilities

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. This amount is calculated based on the tax rates and tax laws that are applicable or will soon be applicable as at the end of the reporting period. The amount of the expected tax liability or tax receivables is the best estimate, taking any tax uncertainty into account.

Deferred Taxes

Income taxes are recognized and measured in accordance with IAS 12. Deferred taxes are accounted for using the liability method for all temporary differences as at the end of the reporting period between the carrying amount of an asset or liability in the consolidated balance sheet and its tax base. Deferred tax liabilities are recognized for all taxable temporary differences with the exception of:

– deferred tax liabilities from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and does not affect the accounting profit for the period or the taxable profit at the time of the transaction;

– the deferred tax liability from taxable temporary differences relating to investments in subsidiaries, associated companies and interests in joint ventures that cannot be recognized if the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, unused tax loss carryforwards and unused tax credits to the extent that it is probable or there is convincing evidence that taxable income will be available against which the deductible temporary differences and the unused tax loss carryforwards and tax credits can be offset, with the exception of:

– deferred tax assets from deductible temporary differences arising from the initial recognition of an asset or liability in a transaction that is not a business combination and does not affect the accounting profit for the period or the taxable profit at the time of the transaction;

– deferred tax assets from deductible temporary differences relating to investments in subsidiaries, associated companies and interests in joint ventures. These can only be recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and sufficient taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of the deferred tax assets is reviewed at the end of each reporting period and written down to the extent that it is no longer probable that sufficient taxable profit will be available against which the deferred tax asset can be at least partially offset. Unrecognized deferred tax assets are reviewed at the end of each reporting period and recognized to the extent that it has become probable or convincing evidence has emerged that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled. This is done based on the tax rates (and tax laws) that are applicable or have been announced and will soon be applicable as at the end of the reporting period. Income taxes relating to items recognized directly in equity are recognized in equity and not in the consolidated income statement.

Deferred tax assets and deferred tax liabilities are offset against one another if they relate to income taxes of the same taxable entity levied by the same taxation authority and if it is not possible to offset the current taxes against one another.

Income taxes relating to items recognized in other comprehensive income or directly in equity are recognized in other comprehensive income or directly in equity and not in the consolidated income statement.

Sales Tax

Revenues, expenses and assets are recognized net of sales tax, except in the following cases:

– If the sales tax incurred when purchasing assets or services cannot be claimed from the taxation authority, the sales tax is recognized as part of the cost of the asset or as part of the expenses.

– Receivables and liabilities are recognized including the associated amount of sales tax.

The amount of sales tax reimbursed by or paid to the taxation authority is recognized in the consolidated balance sheet under other assets or other liabilities.

Segment Reporting

a) Business units
In accordance with IFRS 8, operating segments (business units) are to be differentiated on the basis of internal reporting from areas of the Group that are regularly reviewed by the Group’s chief operating decision makers to make decisions about the allocation of resources to these segments and assess their performance. In the PSI Group, the segment information is recognized on the basis of accounting according to IFRS. Since the end of the 2024 financial year, the PSI Group has essentially differentiated between the following four business units:

– Grid & Energy Management
– Process Industries & Metals
– Discrete Manufacturing
– Logistics

Financial information on the segments is presented under Consolidated Segment Reporting on Page 74 f.

b) Transactions between business units
The elimination of transfers between segments is shown in section J. and contained in the "Reconciliation" column of Consolidated Segment Reporting on page 75.

G. Disclosures on the Consolidated Balance Sheet

1 Intangible Assets and Property, Plant and Equipment

With regard to the development of non-current assets in the financial years that ended on December 31, 2024, and on December 31, 2023, please refer to the attached information on the development of intangible assets, property, plant and equipment and amortization and depreciation recognized in the financial year in Consolidated Segment Reporting and Development of Fixed Assets on pages 74 to 77.

a) Goodwill
As at December 31, 2024, and December 31, 2023, the PSI Group performed an impairment test with regard to goodwill. Furthermore, the PSI Group carried out an impairment test as part of the resegmentation on the reporting date of the resegmentation (December 1, 2024). In the impairment tests, the Group determined the value in use of its cash-generating units and compared this with the respective carrying amounts. For determining the value in use as at the reporting dates December 31, 2023, and December 1, 2024, the impairment testing takes into account the operating units of the Energy Management and Production Management segments with the attributable carrying amounts for goodwill. At the end of the reporting period on December 31, 2024, the value in use was determined on the basis of the new segments, which are identical to the cash-generating units.

The following table shows the previous breakdown of carrying amounts to the respective units before conversion to the new segments, which took place at the end of the 2024 financial year:

in EUR thousand	**December 31, 2024**	December 31, 2023
Energy Management		
Electrical Energy unit	12,023	12,094
Incontrol unit	16,288	14,909
Other units not individually material	4,450	7,529
Energy Management segment	32,761	34,532
Production Management		
Metals unit	22,626	22,465
Other units not individually material	2,118	2,118
Production Management segment	24,744	24,583
Total goodwill	**57,505**	**59,115**

Since the end of the 2024 financial year, the PSI Group has been divided into four segments. The table below shows the breakdown of carrying amounts to the new business units:

in EUR thousand	**December 31, 2024**	December 31, 2023
Grid & Energy Management	32,799	31,489
Process Industries & Metals	22,626	22,465
Discrete Manufacturing	1,242	1,242
Logistics	838	838
Other	0	3,081
Total goodwill	**57,505**	**59,115**

The amount of EUR 3,081 thousand reported under Other in the previous year was reclassified to assets held for sale in the financial year.

The impairment test is based on cash flow projections for the individual cash-generating units that correspond to the operating segments (growth rates in the relevant market segment, ratio of software project and product income as well as maintenance income, hourly and daily rates for employees, average personnel expenses, higher margins for sales of hardware and third-party licenses). The three-year planning period followed by a financial year in which a perpetual annuity is applied reflects the long-term corporate planning approved by the Supervisory Board. The first year of this planning corresponds to the budgets approved by management. The cash flows recognized were derived from past information of the segments and the information from the operational and strategic planning processes. The cash flows are adjusted by means of discounts to take current economic conditions into account (current interest rates and inflation rates). The budgets for the following years are planned on the basis of individually calculated operating margin growth. This differs particularly in the areas of regulated and unregulated markets. The assumptions made by management with regard to the general trend for business development in the software industry correspond to the expectations of analysts, industry experts and market observers and do not lead to valuations for the cash-generating units that in total exceed the PSI Group's market capitalization.

Discount rates of 7.10% to 12.50% after taxes (previous year: 6.30% to 13.60%) and 6.60% to 13.60% before taxes (previous year: 6.90% to 13.60%) were applied. The adjustment of the interest rate compared to the previous year reflects the current economic conditions in each case (development of the real economy and financing conditions). Cash flows arising after the three-year period are extrapolated using a growth rate of 0.50% to 1.00% (previous year: 1.30% to 2.25%).

Management is of the opinion that only a change in the interest rates applied in determining the value in use of the cash-generating units could currently reasonably be expected to result in the carrying amount of the cash-generating unit significantly exceeding its recoverable amount and an adjustment of the interest rates would not give rise to any further changes in parameters (ceteris paribus). For example, an assumed increase in the interest rate used for discounting by 1 percentage point (previous year: 1 percentage point) (assumed possible change of the parameter) would result in a possible impairment of EUR 0 thousand for the four new segments. In the previous year, this assumption also resulted in a possible impairment of EUR 0 thousand for the Electrical Energy and Metals units and a possible impairment of EUR 3,900 thousand for the Incontrol unit and another Energy Management unit. The interest rate used for discounting, at which no impairment would occur, would be 12.00% (Grid & Energy Management), 21.40% (Process Industries & Metals), 21.70% (Discrete Manufacturing) and 29.40% (Logistics).

The table below shows the underlying assumptions used in the impairment testing of the groups of cash-generating units to which significant goodwill has been allocated before the changeover to the new segments:

in %	Long-term growth rate	Discount factor after taxes
Electrical Energy unit	0.50 (previous year: 1.30)	7.10 (previous year: 6.30)
Incontrol unit	1.00 (previous year: 2.25)	8.60 (previous year: 7.40)
Metals unit	1.00 (previous year: 1.30 to 2.10)	8.80 to 12.50 (previous year: 9.10 to 13.60)
All other units	0.50 to 1.00 (previous year: 1.30 to 2.25)	7.10 to 8.80 (previous year: 6.30 to 13.60)

The table below shows the underlying assumptions in the presentation of the four new business units from the end of the 2024 financial year:

in %	Long-term growth rate	Discount factor after taxes
Grid & Energy Management	0.50	7.10 to 8.60
Process Industries & Metals	1.00	8.80 to 12.50
Discrete Manufacturing	1.00	8.80
Logistics	1.00	8.80

b) Right-of-use assets from leases

The following table shows the additions to right-of-use assets from leases and the accumulated amortization/depreciation in the 2024 financial year as well as the carrying amounts of the right-of-use assets as at the end of the reporting period compared with the previous year.

Right-of-use assets 2024

in EUR thousand	Additions	Depreciation and amortization	Carrying amount as at Dec. 31, 2024
Properties	5,121	5,850	19,970
Movable assets	1,331	1,251	2,421
Total	**6,452**	**7,101**	**22,391**

Right-of-use assets 2023

in EUR thousand	Additions	Depreciation and amortization	Carrying amount as at Dec. 31, 2023
Properties	3,091	5,308	18,755
Movable assets	3,781	1,765	4,900
Total	**6,872**	**7,073**	**23,655**

The carrying amounts as at December 31, 2023, were adjusted as at January 1, 2024. An appropriate allocation within the right-of-use assets is made for subsidiaries. Changes in the right-of-use assets in the 2024 financial year are shown under “Development of Fixed Assets (IFRS)” on page 76 f.

2 Inventories

in EUR thousand	**December 31, 2024**	December 31, 2023
Third-party hardware and licenses	2,997	4,472
Advance payments to subcontractors	0	505
	2,997	**4,977**

As in the previous year, no inventories were measured at the lower net realizable value as at the end of the reporting period.

3 Net Trade Receivables

in EUR thousand	**December 31, 2024**	December 31, 2023
Gross trade receivables	51,896	49,944
Impairment	–1,541	–1,629
	50,355	**48,315**

The maximum exposure to credit risk is limited to the carrying amount.

Trade receivables are not interest-bearing and are due within 0 to 90 days. The valuation allowances recognized developed as follows:

in EUR thousand	**2024**	2023
As at January 1	1,629	1,790
Allocation to expenses	251	277
Utilized	–20	–126
Reversal in income	–319	–312
As at December 31	**1,541**	**1,629**

As at December 31, the maturity structure of trade receivables was as follows:

in EUR thousand	**December 31, 2024**	December 31, 2023
Neither past due nor impaired	**38,268**	**35,908**
Past due (after impairment):		
< 30 days	6,623	6,503
30 to 60 days	1,204	1,595
60 to 90 days	369	145
90 to 120 days	121	1,725
> 120 days	3,770	2,439
	12,087	**12,407**
As at December 31	**50,355**	**48,315**

The valuation allowances recognized, determined on the basis of the expected credit losses, relate to project-specific valuation allowances and were assessed in the amount of the expected payment default. Expected cash shortfalls are calculated by forming portfolios for specific countries for which the cash shortfalls were estimated based on past experience.

4 Receivables and Liabilities from Long-Term Development Contracts and Deferred Revenues

Receivables subject to revenue recognition over time arise when revenues are recognized that cannot yet be invoiced according to the contractual conditions. These amounts are recognized according to the ratio of planned and incurred costs. This item comprises directly attributable costs (personnel expenses and purchased services) as well as an appropriate portion of general overhead costs and profit shares. Possible non-payment risks that are already known prior to entering into individual orders are taken into account in the order valuation in the amount of the expected nonpayment. Most of the receivables from long-term development contracts (contract assets) and liabilities from long-term development contracts (contract liabilities) will be settled in 2025, hence there will be no material items outstanding in the following financial year.

The receivables and liabilities from long-term development contracts comprise the following components:

in EUR thousand	**December 31, 2024**	December 31, 2023
Costs incurred	99,037	108,015
Share of profits	18,992	17,686
Contract revenues	**118,029**	**125,701**
Advance payments received	–85,375	–94,676
thereof offset against contract revenues	–72,733	–76,149
Receivables from long-term development contracts	45,296	49,552
Liabilities from long-term development contracts	12,642	18,527

Receivables from long-term development contracts in the amount of EUR 45,296 thousand (previous year: EUR 49,552 thousand) were not past due as at December 31 of the respective year. Liabilities from long-term development contracts comprise advance payments received that exceed the corresponding receivables from long-term development contracts (contract liabilities). There were no significant changes in the payment terms of customers in the financial year.

Liabilities from long-term development contracts and deferred revenues of EUR 20,877 thousand (previous year: EUR 26,289 thousand) include accrued revenues for maintenance contracts of EUR 8,235 thousand (previous year: EUR 7,762 thousand). Of this amount, EUR 5,424 thousand (previous year: EUR 6,349 thousand) has a term of up to one year and EUR 2,811 thousand (previous year: EUR 1,413 thousand) has a term of more than one year.

5 Other Assets

The amount recognized in the consolidated balance sheet is due within one year. This amount includes a receivable from an insurance company in the amount of EUR 1,679 thousand. The management is reasonably certain that this matter, which relates to expenses directly attributable to the cyberattack in the financial year, is covered by the insurance and that settlement of the claim can be firmly expected. Loss allowances were not recognized for other assets in the amount of the expected default as, based on past experience, this was not necessary. There are no material receivables that are past due or impaired.

6 Cash and Cash Equivalents

in EUR thousand	**December 31, 2024**	December 31, 2023
Bank balances	25,568	47,712
Fixed-term deposits	901	2,739
Cash in hand	14	24
	26,483	**50,475**

The fixed-term deposits and bank balances are not past due; there are no default risks.

For two amounts not yet disbursed totaling EUR 400 thousand, the amounts were deposited in two separate term deposit accounts and these accounts were pledged to a pledgee as security. Payments are made to the pledgee in August 2025 and August 2026. The pledge is released by the pledgee after each payment.

7 Equity

Please refer to the Statement of Changes in Consolidated Equity on page 72 f. for information on the development of equity.

a) Share capital

The fully paid-in share capital entered in the commercial register amounts to EUR 40,185,256.96 (previous year: EUR 40,185,256.96) and is exclusively divided into 15,697,366 (previous year: 15,697,366) registered no-par-value shares representing a pro rata amount of the share capital of EUR 2.56 per share. Each no-par-value share bears full dividend and voting rights with the exception of treasury shares.

At the Annual General Meeting of PSI SE on May 23, 2023, the Executive Board was authorized to acquire treasury shares in a volume of up to 10% of the share capital. Based on the share capital as at the end of the reporting period, this results in an authorization to buy back up to 1,567,984 no-par-value shares in the Company. The authorization will expire on June 30, 2026.

b) Contingent capital and authorized capital
By way of resolution of the Annual General Meeting on May 19, 2021, the Executive Board of the Company was authorized to issue convertible and warrant-linked bonds as well as profit-sharing rights or income bonds (or combinations of these instruments) on one or more occasions, with the option of disapplying pre-emption rights in each case, until May 18, 2026.

To fulfill any rights exercised in the above context, a new “Contingent Capital 2021” was created at the Annual General Meeting on May 19, 2021. Under this contingent capital, the Company’s share capital is contingently increased by up to EUR 8,035,840.00, divided into 3,139,000 no-par-value shares.

By resolution of the Annual General Meeting on July 26, 2024, the Executive Board of the Company was authorized to grant up to 600,000 subscription rights for up to 600,000 registered no-par-value shares in the company until July 25, 2029 (inclusive) (“Share Option Program 2024”).

Additional conditional capital “Contingent Capital 2024” was created at the Annual General Meeting on July 26, 2024, to implement the 2024 share option program. This is limited to a maximum volume of EUR 1,536 thousand.

By way of resolution of the Annual General Meeting on May 23, 2023, new authorized capital (AC 2023) was created. The Executive Board was authorized, with the approval of the Supervisory Board, to increase the Company’s share capital on one or more occasions by a total of up to EUR 8,035,840.00 by issuing new registered no-par-value shares in exchange for cash or contributions in kind in the period until May 22, 2028.

Authorized capital and contingent capital break down as follows:

in EUR thousand	**December 31, 2024**	December 31, 2023
Authorized capital (AC)		
AC 2023 (until May 22, 2028)	8,036	8,036
	8,036	**8,036**
Contingent capital (CC)		
CC 2021 (until May 18, 2026)	8,036	8,036
CC 2024 (until July 25, 2029)	1,536	0
	9,572	**8,036**
	17,608	**16,072**

c) Capital reserve
The capital reserve includes the premium from capital increases. The costs attributable to issuing equity instruments were deducted directly from equity as a negative premium, taking tax effects into account.

d) Reserve for treasury shares
As in the previous year, no shares were bought back in the financial year. As in the previous year, no treasury shares were transferred as part of an employee share program. The Company held 209,371 treasury shares as at December 31, 2024 (previous year: 209,371). These shares account for share capital of EUR 535,989.76 (previous year: EUR 535,989.76).

Under the existing employee share programs, employees of the PSI Group can purchase treasury shares in PSI SE or be allocated treasury shares without specified consideration. Such share purchases/allocations are made at normal market conditions. The acquisition of shares by employees does not result in any significant expense for the Company overall. If shares are allocated, the Company recognizes the fair value of the shares issued as personnel expenses. No shares were transferred from the employee share program in the 2024 financial year.

e) Other reserves
Other reserves break down as follows:

in EUR thousand	December 31, 2024	December 31, 2023
Reserve for exchange differences	1,166	–1,606
Actuarial losses	–22,103	–24,754
Deferred taxes	7,024	7,816
	–13,913	**–18,544**

The deferred tax resulted from actuarial gains and losses.

f) Dividends
In accordance with the German Stock Corporation Act, dividends payable are calculated on the basis of the retained earnings recognized in the PSI SE annual financial statements and determined according to the German Commercial Code (HGB).

No dividend was paid in the financial year. In the previous year, a dividend of EUR 6,195,198.00 was distributed for the 2022 financial year. Based on the equity structure of PSI SE under commercial law, no dividend distributions are possible at the end of the reporting period on December 31, 2024.

8 Pension Provisions and Similar Obligations

Pension provisions are recognized for existing entitlements and claims to company pension benefits on the part of current and former employees of the PSI Group and their surviving dependents (old-age pensions, disability benefits and benefits for surviving dependents).

For the majority of the beneficiaries, the entitlements arise from static vested rights determined as at December 31, 2006, in the form of a direct defined-benefit commitment. For service periods after December 31, 2006, employees generally no longer gain any increases in their entitlements in the direct commitment. Instead, the employees were granted the right to choose between an increase in the gross cash compensation or contributions to a provident fund with pension liability insurance to compensate for the loss of future increases in entitlements. As the surpluses granted from the provident fund are not sufficient to ensure the obligation to adjust current pensions in accordance with section 16 of the German Company Pensions Act (BetrAVG), pension provisions are also recognized in relation to the pension adjustment obligation.

As part of the transfer of undertakings of Business Technology Consulting AG (BTC AG) as at January 1, 2019, in accordance with section 613a of the German Civil Code (BGB), the pension obligations for this group of employees were transferred to the PSI Group. The pension plan that is also open to new employees at two locations is set up as a securities-linked direct commitment under which annual contributions that depend on working hours are posted to a capital account for the employees and invested on the capital market via a contractual trust arrangement (CTA). Accordingly, a retirement pension, an early retirement pension, a reduced earning capacity pension and a spouse's and orphan's pension are granted after retirement and are subject to an annual guaranteed pension adjustment of one percent. The respective retirement benefit results from the pension capital formed for the individual employee being annuitized when the conditions for the pension arise. The pension capital results from the sum of the annual pension expenses and the investment income generated on them. The nominal payments are guaranteed as the minimum pension capital to be annuitized. Instead of a lifelong employee pension, the Company may grant the employee a lump-sum benefit in up to ten annual installments at the employee's request.

The amount of the pension obligation (present value of the pension commitments) was calculated using actuarial methods based on the following assumptions:

in %	2024	2023
Discount factor		
Germany	3.30	3.20
Austria	3.30	3.20
Salary trend		
Germany[1]	0.00/3.80	0.00/3.80
Austria	3.80	3.80
Pension trend		
Germany	2.50	2.50
Austria	0.00	0.00
Staff turnover		
Germany	0.00	0.00
Austria	0.00	0.00

Mortality tables used:	
Germany	RT Heubeck 2018 G (previous year: RT Heubeck 2018 G)
Austria	AVÖ 2018-P (previous year: AVÖ 2018-P)

[1] Some of the pension commitments were superseded on December 31, 2006. Salary trends are not relevant to the calculation of the obligation for these commitments.

The salary trend comprises anticipated future salary increases that are estimated on an annual basis depending on factors such as inflation and length of service at the Company.

As at the end of the reporting period, the individual standard retirement age under the statutory pension system was used when calculating the German pension obligation.

Total expenses of EUR 1,415 thousand were incurred for defined benefit plans in the reporting year. These break down as follows:

in EUR thousand	2024	2023
Current service costs recognized in personnel expenses	132	132
Net interest expenses recognized in net interest	1,283	1,479
Expenses for retirement benefits	**1,415**	**1,611**

Expenses of EUR 1,233 thousand (previous year: EUR 1,410 thousand) are expected in the following year based on the current headcount.

The following overview shows the development of the present value of the defined benefit obligation:

in EUR thousand	2024	2023
Present value at start of year	54,659	53,426
Current service cost	132	132
Interest cost	1,356	1,556
Actuarial (gains)/losses in other comprehensive income	–2,392	913
of which experience adjustments	–43	–1,219
of which changes to financial assumptions	–2,349	2,132
Pension payments made	–2,370	–2,295
Disposal of pension obligation	0	–30
Change in present value of the defined benefit obligation covered by pension liability insurance	–267	956
Present value as at end of reporting period	**51,118**	**54,659**

The following overview shows the development of the present value of the plan assets:

in EUR thousand	2024	2023
Market value/present value at start of year	11,703	10,795
Interest income	70	77
Expenses/income from plan assets not included in net interest	–8	784
Employer contributions	124	123
Disposal of pension obligation	0	–30
Reimbursements	–5	–46
Market value/present value as at end of reporting period	**11,884**	**11,703**

The following overview shows the development of the net amount of the provision:

in EUR thousand	2024	2023
Carrying amount at start of year	42,958	42,633
(Income)/expense recognized in the income statement	1,415	1,611
Pension payments from working capital	–2,365	–2,249
Contributions to plan assets	–124	–123
Actuarial (gains)/losses	–2,651	1,086
Liabilities from assets held for sale	–3,518	0
Carrying amount at end of year	**35,715**	**42,958**

Changes in the main actuarial assumptions for Germany would have the following effect on the defined benefit pension obligation:

in EUR thousand	December 31, 2024	December 31, 2023
Change in assumed actuarial interest rate		
Increase of 0.2 percentage points	–720	–874
Reduction of 0.2 percentage points	746	905
Change in assumed pension trend		
Increase of 0.2 percentage points	571	693
Reduction of 0.2 percentage points	–555	–674

The sensitivity analyses presented each take into account a change in one assumption while the other assumptions remain unchanged as compared to the original calculation.

As at the end of the reporting period, the average remaining term (Macaulay duration) of the defined benefit obligation is 12.3 years (previous year: 11.7 years).

The table below shows the expected payout structure from working capital for the coming years for Germany:

in EUR thousand	2024	2023
Pension payments made	2,370	2,295
Expected pension payments		
2025 (previous year: 2024)	2,030	2,483
2026 (previous year: 2025)	2,070	2,495
2027 (previous year: 2026)	2,125	2,544
2028 (previous year: 2027)	2,128	2,606
2029 (previous year: 2028)	2,127	2,606
Another 5 years	10,787	13,015

9 Provisions

The provisions exclusively comprise tax provisions for past and future periods.

An interest rate of 1.8% (previous year: 1.8%) was used to discount the estimated payment for these risks.

Provisions developed as follows:

in EUR thousand	2024	2023
As at January 1	4,049	3,947
Allocation to expenses	1,314	1,903
Liabilities in connection with a subsidiary held for sale	–584	0
Utilized	–1,282	–1,800
Reversal in income	–760	–1
As at December 31	**2,737**	**4,049**
thereof non-current	954	1,032
thereof current	1,783	3,017

10 Lease Liabilities

The table below shows the discounted lease payments, including extension options in cases where the Group is reasonably certain that it will exercise them:

in EUR thousand	2024	2023
Payable within one year	8,419	6,581
Payable in 1 to 5 years	12,810	17,455
Payable in more than 5 years	2,380	463
Carrying amount at end of year	**23,609**	**24,499**

Total cash outflows from lease liabilities amounted to EUR 6,566 thousand in the 2024 financial year (previous year: EUR 6,807 thousand).

The leases in accordance with IFRS 16 mainly relate to properties. Due to the relatively low incremental borrowing rate to be applied, the difference between discounted and undiscounted can be regarded as immaterial overall. Interest expenses for lease liabilities amounted to EUR 778 thousand in the 2024 financial year (previous year: EUR 539 thousand).

Other financial obligations from short-term leases and low-value leases that do not come under IFRS 16 as a result of applying the exemption are shown in section K.

11 Financial Liabilities

As in the previous year, the non-current financial liabilities at the end of the financial year consisted mainly of two new agreements made with banks in 2023.

In the 2023 financial year, two loan agreements were concluded with IKB Deutsche Industriebank AG, Düsseldorf, for a nominal amount of EUR 15,000 thousand. Loan I for a nominal amount of EUR 4,900 thousand and Loan II for a nominal amount of EUR 10,100 thousand, each maturing on September 30, 2028. Loan I is refinanced by KfW under the ERP Digitalization and Innovation Loan (380) program. The loan bears interest at a rate of 3.98% per annum and is repayable quarterly beginning December 30, 2023. The residual value as at December 31, 2024, is EUR 3,675 thousand. Loan II is refinanced by KfW under the KfW Development Loan (375) program. The loan bears interest at a rate of 5.0% per annum and is repayable quarterly beginning December 30, 2024. The residual value as at December 31, 2024 is EUR 9,469 thousand.

The PSI Group used short-term, floating-rate overdrafts for financing purposes in the previous year and in the reporting year. The financial liabilities were repaid on a monthly basis and bore interest at rates between 5.46% and 6.76% in the reporting year (previous year: between 4.14% and 6.76%). No special collateral was provided.

As at December 31, 2024, the PSI Group had undrawn borrowing facilities from overdrafts in the amount of EUR 20,039 thousand (previous year: EUR 40,755 thousand).

Expenses for interest from overdrafts amounted to EUR 698 thousand in the 2024 financial year (previous year: EUR 860 thousand).

12 Additional Information on Financial Assets and Liabilities

A reconciliation of individual balance sheet items to total financial assets and financial liabilities can be found in the following table.

in EUR thousand	December 31, 2024	December 31, 2023
Current financial assets		
Net trade receivables	50,355	48,315
Other assets	4,216	2,439
Cash and cash equivalents	26,483	50,475
	81,054	**101,229**
Financial liabilities		
Financial liabilities	30,720	15,307
Trade payables	21,163	18,864
Lease liabilities	23,609	24,499
Other liabilities	3,509	4,508
	79,001	**63,178**
thereof non-current	25,523	31,641
thereof current	53,478	31,537

13 Additional Information on Non-Financial Assets and Liabilities

Other non-financial assets (EUR 5,410 thousand; previous year: EUR 3,696 thousand) comprise advance payments and prepaid expenses. Other non-financial liabilities (EUR 26,433 thousand; previous year: EUR 28,827 thousand) include liabilities to employees as well as sales tax and payroll tax liabilities.

14 Deferred Taxes/Income Taxes

German trade tax is levied on the taxable profit of the German group companies, which is calculated by deducting certain income that is not subject to trade tax and adding certain expenses that are not deductible for trade tax purposes. The effective trade tax rate depends on the municipality in which the respective German group company operates. As in the previous year, the average trade tax rate in 2024 was approximately 14%. A corporation tax rate of 15% applied in the 2023 and 2024 financial years. In addition to corporation tax, a solidarity surcharge of 5.5% is levied on the corporation tax determined. This therefore results in an effective tax rate of 29.83% (previous year: 29.83%) for the calculation of current income taxes for the 2024 financial year.

As at December 31, 2024, the amount of non-capitalized tax benefits from loss carryforwards for corporation tax (including foreign companies) was EUR 66.3 million, while those from loss carryforwards for trade tax was EUR 68.4 million (previous year: EUR 36.8 million/EUR 35.5 million). PSI SE's tax loss carryforwards as at December 31, 2023, and December 31, 2024, already take into account the findings of ongoing external tax audits. Deferred tax assets on tax loss carryforwards of EUR 4.4 million were capitalized in the financial year (previous year: EUR 4.4 million).

Income tax expense for the current financial year breaks down as follows:

in EUR thousand	**2024**	2023
Current tax expense		
Current year	**–3,469**	**–5,059**
Deferred tax expense		
Intangible assets	493	–811
Long-term development contracts	–584	–117
Inventories	11	–1
Partial retirement and anniversary bonus provisions	7	28
Trade receivables	28	122
Pension provisions	–203	–172
Trade payables	528	666
Provisions	–548	–327
Fixed assets	–25	1,316
Leases	80	21
Use of tax loss carryforwards	0	600
Deferred income	–85	–44
Miscellaneous	–16	30
	–314	**1,311**
Income tax expense	**–3,783**	**–3,748**

The following overview shows a reconciliation of tax expense/income:

in EUR thousand	**2024**	2023
Earnings before taxes	–17,873	3,017
Theoretical income tax expense (29.83%; previous year: 29.83%)	5,332	–900
Non-capitalized tax losses	–10,204	–4,454
Non-deductible operating expenses and trade tax additions	–544	–1,021
Use of non-capitalized tax loss carryforwards	96	338
Effects of tax rate differences outside Germany	1,146	697
Tax expense for previous years	–3	393
Tax-free income and foreign income	980	640
Miscellaneous	–586	559
Current tax expense	**–3,783**	**–3,748**

The PSI Group has the following tax loss carryforwards:

in EUR million	**December 31, 2024**	December 31, 2023
Loss carryforward for trade tax in Germany	70.9	40.0
Loss carryforward for corporation tax in Germany	69.8	37.7
Loss carryforwards outside Germany	4.4	3.7

The loss carryforwards in Germany do not expire. Of the foreign tax loss carryforwards of EUR 4,394 thousand (EUR 3,688 thousand), an amount of EUR 541 thousand (previous year: EUR 106 thousand) is subject to loss carryforward restrictions relating to time (between 5 and 10 years) due to local national regulations.

The deferred taxes reported in the PSI Group break down as follows:

in EUR thousand (as at Dec. 31)	**2024**	Change	2023
Deferred taxes			
Use of tax loss carryforwards	4,432	0	4,432
Fixed assets	13	–25	38
Pension provisions	4,200	–994	5,194
Leases	323	81	242
Other provisions	0	–133	133
Partial retirement and anniversary bonus provisions	127	7	120
Deferred income	0	–8	8
Project-related provisions	1,537	528	1,009
Assets held for sale	–440	–440	0
Deferred tax assets before offset	**10,192**	**–984**	**11,176**
Offset	–4,835	–1,792	–3,043
Deferred tax assets reported	**5,357**	**–2,776**	**8,133**
Intangible assets	–1,175	578	–1,753
Goodwill amortization affecting tax	–979	–85	–894
Trade receivables	–391	28	–419
Receivable from long-term development contracts	–5,357	–584	–4,773
Other provisions	–415	–415	0
Deferred income	–77	–77	0
Liabilities in connection with assets held for sale	464	464	0
Miscellaneous	–13	–6	–7
Deferred tax liabilities before offset	**–7,943**	**–97**	**–7,846**
Offset	4,835	1,792	3,043
Deferred tax liabilities reported	**–3,108**	**1,695**	**–4,803**
Net	**2,249**	**–1,081**	**3,330**
As at January 1, net	3,330		1,697
Tax income/expense recognized in the reporting period	–314		1,311
Assets held for sale	24		0
Tax income/(expense) recognized in other comprehensive income in the reporting period	–791		322
As at December 31, net	**2,249**		**3,330**

No deferred tax assets were recognized for tax loss carryforwards in the financial year. In the previous year, a deferred tax asset of EUR 8,790 thousand was recognized for tax loss carryforwards for which the Executive Board still considers it probable that sufficient future taxable profits will be available.

H. Disclosures on the Consolidated Income Statement

The consolidated income statement is prepared using the nature of expense method.

15 Revenues

Revenues for software development are paid according to the percentage of completion. Maintenance revenues are paid by customers in advance and recognized pro rata temporis. Revenues from licenses and merchandise are recognized at a point in time on delivery. The balance of contract liabilities at the beginning of the reporting period was recognized as revenues in the financial year. Revenues break down as follows:

in EUR thousand	**2024**	2023
Revenues		
Software development	104,283	113,799
Maintenance	106,026	103,458
Licenses	16,933	16,874
Merchandise	33,596	35,760
Total	**260,838**	**269,891**

16 Other Operating Income

in EUR thousand	**2024**	2023
Subsidies	4,827	5,686
Income from the reversal of provisions	1,827	791
Insurance recovery	1,680	1,808
Income from exchange rate differences	1,071	1,012
Income from written-off receivables	641	455
Income from project provisions	79	3,208
Miscellaneous	1,820	4,095
	11,945	**17,055**

17 Cost of Materials

in EUR thousand	**2024**	2023
Cost of purchased services	20,412	22,042
Cost of purchased goods	17,851	24,075
	38,263	**46,117**

18 Personnel Expenses

in EUR thousand	**2024**	2023
Wages and salaries	157,661	153,781
Social security expenses	32,450	29,944
	190,111	**183,725**

Personnel expenses include expenses for payments to private pension institutions of EUR 509 thousand (previous year: EUR 515 thousand) and payments to state pension funds of EUR 9,148 thousand (previous year: EUR 8,768 thousand) in connection with defined contribution pension commitments.

19 Other Operating Expenses

in EUR thousand	2024	2023
Data line, IT and telephone costs	8,095	5,678
Legal and consulting costs	7,346	4,123
Project-related expenses	5,820	1,580
Travel costs	5,428	4,715
Rental, leasing of property including ancillary costs	4,463	3,632
Advertising and marketing activities	4,402	3,958
Lease costs for movable assets	1,389	1,273
Expenses from exchange rate differences	1,323	1,528
Miscellaneous	6,773	10,457
	45,039	**36,944**

20 Investment Income

Investment income exclusively comprises caplog-x GmbH, which is accounted for using the equity method. The income recognized in the reporting year relates to the pro rata income from caplog-x GmbH's net income for the 2023 financial year.

21 Assets and Liabilities Held for Sale, Liabilities from Discontinued Operations

Liabilities from discontinued operations result from a contingent liability (residual carrying amount as at December 31, 2024: EUR 623 thousand, previous year: EUR 1,322 thousand) in connection with a bank loan that is being repaid by a former Russian subsidiary. The profit from discontinued operations for the 2024 financial year in the amount of EUR 700 thousand (previous year: profit of EUR 1,055 thousand) results from the reversal of this liability. As in the previous year, the profit was allocated in full to the shareholders of PSI SE.

The assets and liabilities held for sale relate solely to a German subsidiary that was held for sale as at December 31, 2024. As in the previous year, the result of this subsidiary is included in the income statement from continuing operations. The shares in the subsidiary were sold under a share and purchase agreement dated December 21, 2024. The sale became legally effective on March 5, 2025. The subsidiary was allocated to the Other segment.

The assets and liabilities of the subsidiary held for sale were attributable to the following individual items:

in EUR thousand	December 31, 2024
Assets	
Inventories	1,258
Trade receivables	3,365
Receivables from long-term development contracts	5,913
Other current assets	131
Income tax receivables	404
Cash and cash equivalents	3,036
Current assets	**14,107**
Property, plant and equipment	624
Intangible assets	3,166
Deferred tax assets	440
Non-current assets	**4,230**
Assets	**18,338**
Financial liabilities	
Trade payables	1,299
Other liabilities	1,553
Tax provisions	584
Advance payments received and deferred income	2,136
Current liabilities	**5,572**
Pension provisions	3,519
Deferred tax liabilities	464
Lease liabilities IFRS 16	413
Non-current liabilities	**4,395**
Equity and liabilities	**9,967**

22 Earnings per Share

In accordance with IAS 33, earnings per share are calculated by dividing the Group net result by the weighted number of no-par-value shares:

	2024	2023
Result of continuing operations (EUR thousand)	–21,656	–731
Result of discontinued operations (EUR thousand)	700	1,055
Number of weighted no-par-value shares (in thousands)	15,488	15,606
Number of weighted no-par-value shares, diluted (in thousands)	15,488	15,606
Earnings per no-par-value share from continuing operations (EUR/share)	–1.40	–0.05
Earnings per no-par-value share from continuing operations, diluted (EUR/share)	–1.40	–0.05
Earnings per no-par-value share from discontinued operations (EUR/share)	0.05	0.07
Earnings per no-par-value share from discontinued operations, diluted (EUR/share)	0.05	0.07

To calculate diluted earnings per share, the net profit attributable to ordinary shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential ordinary shares that could arise as a result of subscription rights being exercised. As in the previous year, there were no potentially dilutive shares in the 2024 financial year. In the future, the employee share program may have a potentially dilutive effect on earnings per share.

I. Disclosures on the Consolidated Cash Flow Statement

The cash flow statement is prepared according to IAS 7 and is broken down into cash flows from operating, investing and financing activities. The cash funds recognized in the consolidated cash flow statement comprise all the cash and cash equivalents recognized in the consolidated balance sheet under “Cash and cash equivalents,” i.e., cash in hand and short-term bank balances. The reported cash and cash equivalents are not subject to any restrictions on their availability due to third parties. The breakdown of cash and cash equivalents is shown in the table under G. 6. Overdraft liabilities were not included in cash and cash equivalents.

The cash and cash equivalents shown in the cash flow statement can be derived as follows from the balance sheet item “Cash and cash equivalents”:

in EUR thousand	December 31, 2024	December 31, 2023
Cash and cash equivalents as per balance sheet	26,483	50,475
Cash and cash equivalents held for sale	3,036	0
Cash and cash equivalents according to the cash flow statement	29,519	50,475

J. Disclosures on the Consolidated Segment Reporting

The PSI Group has had four reportable segments since the end of the 2024 financial year. Besides these reportable segments, in the financial year there was a non-reportable segment shown in the segment reporting with the reconciliation effects.

Description of the Segments

- Grid & Energy Management: Energy control systems for electricity, gas, heat, oil and water. The focus is on state-of-the-art grid control systems and energy trading software for the grid and energy market.

- Process Industries & Metals: Software solutions for production management, supply chain management (SCM), advanced planning & scheduling (APS) and manufacturing execution systems (MES).

- Discrete Manufacturing: An enterprise resource planning (ERP) system and a cloud-based manufacturing execution system (MES) for the control and optimization of production processes in manufacturing industry.

– Logistics: Logistics software for the analysis, planning and optimization of supply chains as well as warehouse and transport management systems for logistics service providers, retail, industry and airport luggage logistics.

Miscellaneous

Revenues from transactions with other segments are grouped in the “Miscellaneous” column. Revenues between business units amounted to EUR 2,594 thousand as at December 31, 2024, and are included in the amount of EUR –2,467 thousand. Earnings before taxes totaled EUR –3,028 thousand.

Additional Geographical Disclosures

In the 2024 financial year, the PSI Group generated revenues of EUR 135.2 million (previous year: EUR 148.5 million) in Germany and revenues of EUR 125.6 million (previous year: EUR 121.4 million) in foreign countries. The revenues are assigned based on the domicile of the respective customer.

Non-current assets (not including deferred tax assets) of EUR 60,163 thousand (previous year: EUR 63,615 thousand) relate to Germany and EUR 48,197 thousand (previous year: EUR 47,619 thousand) to other countries. This allocation is based on the domicile of the subsidiary where the asset is recognized.

K. Other Disclosures

Other Financial Obligations and Contingent Liabilities

Rental agreements and leases — PSI Group as lessee
Properties, cars, office equipment, data processing systems and other equipment were rented under leases. For short-term leases (term of less than twelve months) and for low-value leases for properties and movable assets, the PSI Group applies the exemption in accordance with IFRS 16.5. This results in other current financial commitments of EUR 148 thousand in total (previous year: EUR 222 thousand).

Expenses from short-term and low-value leases are reported under other operating expenses. The table below shows the rental and lease fees incurred in the reporting year and the previous year:

in EUR thousand	2024	2023
Properties	563	269
thereof insignificant	46	32
thereof current	517	237
Movable assets	446	354
thereof insignificant	333	244
thereof current	113	110
Total	**1,009**	**623**

An overview of the maturities of lease liabilities is presented in section G. 10.

There are other financial obligations from other contractual relationships totaling EUR 25,120 thousand of which a partial amount of EUR 1,422 thousand is current and the remaining amount of EUR 23,698 thousand relates to financial obligations with a term of more than one and less than five years.

Bill of exchange guarantees
Bill of exchange guarantees of EUR 30,109 thousand (previous year: EUR 35,053 thousand) were assumed in the ordinary course of business for the PSI Group by various companies and banks as at the end of the reporting period.

Purchase commitment
The contractual obligations mainly relate to the purchase of hardware and software for investment projects and amount to EUR 1.2 million as at December 31, 2024 (previous year: EUR 0.9 million).

Employees
The average number of employees in the PSI Group is 2,353 in the financial year (previous year: 2,281).
The workforce breaks down by function as follows:

	2024	2023
Software development	1,952	1,891
Administration	242	222
Sales organization	159	168
Total	**2,353**	**2,281**

List of Shareholdings

	Equity interest in %	Equity[1] December 31, 2024 in EUR thousand	Net profit[1] 2024 in EUR thousand
Fully consolidated			
Germany			
PSI Transcom GmbH, Berlin	100	6,079	–1,157
International			
PSI AG für Produkte und Systeme der Informationstechnologie, Wil, Switzerland	100	2,143	616[2]
PSI Automotive & Industry Austria GmbH, Traun, Austria	100	1,900	273
PSI Incontrol Sdn. Bhd., Selangor, Malaysia	100	12,552	1,942[2]
Incontrol Tech (Thailand) Ltd., Bangkok, Thailand	100	–1,583	–256[2]
Incontrol Tech Holdings (Thailand) Ltd., Bangkok, Thailand	100	–595	–3[2]
PSI Information Technology (Shanghai) Co. Ltd. Shanghai, China	100	981	177[2]
PSI Metals Austria GmbH, Graz, Austria	100	6,094	415
PSI Metals Belgium NV, Brussels, Belgium	100	–891	–1,476
PSI Metals Brazil Ltda, Rio de Janeiro, Brazil	100	788	526
PSI METALS INDIA PRIVATE LIMITED, Pune, Maharashtra, India	100	404	91
PSI METALS NORTH AMERICA Inc. Pittsburgh, USA	100	8,226	4,154
PSI Metals UK Ltd., Watford, United Kingdom	100	3,336	745
PSI Neplan AG, Küsnacht, Switzerland	100	2,738	1,153
PSI Polska Sp. z o.o., Poznan, Poland	100	11,001	6,278
PSIAG Scandinavia AB, Karlstad, Sweden	100	853	284[2]
Time-steps AG, Affoltern am Albis, Switzerland	100	607	126
Equity valuation			
Germany			
caplog-x GmbH, Leipzig	31.3	2,908	972[3]

[1] Values according to legal and local accounting regulations before consolidation entries
[2] IFRS values before consolidation entries
[3] Values as at December 31, 2023, as values as at December 31, 2024, were not available at the date of the financial statements

Services by the Auditor

The auditor for PSI SE and the Group is RSM Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft. The following fees were incurred for services performed by the auditor in the financial year:

in EUR thousand	**2024**	2023
Auditing services (of which EUR 408 thousand is attributable to the previous year)	963	376
Other confirmation services	16	0
Total	**979**	**376**

The auditing services primarily include the fees for the audit of the annual and consolidated financial statements of PSI SE.

Related Party Disclosures

In accordance with IAS 24, related parties are those companies and persons who have the ability to control the PSI Group or exercise significant influence over its financial and operating policies. In determining whether related parties of the PSI Group exercise significant influence over its financial and operating policies, the existence of fiduciary relationships was taken into account as well as existing control relationships.

Related companies
The affiliated companies included in the consolidated financial statements are to be regarded as related companies. In addition, the associated company caplog-x GmbH is regarded as a related company. There are no other related companies.

Related persons
The members of the Executive Board and the Supervisory Board are to be regarded as related persons.

Transactions with related parties
There are transactions between PSI SE and its subsidiaries in the context of supplies and services, cash management, central administrative services and personnel provision; these are eliminated on consolidation.

There are transactions between the PSI Group and the associated company in conjunction with goods and services and the granting of loans, which are shown in the table below:

in EUR thousand	**2024**	2023
Associated companies		
Goods and services provided	95	91
Goods and services received	1,005	902
Other receivables	224	198
Receivables from loans	290	290
Trade payables	199	24

Outstanding balances as at the end of the reporting period are not collateralized or discounted and are settled in cash. There are no guarantees for receivables or liabilities between the PSI Group and the associated company.

Besides the employment contracts with the members of the Executive Board and the expense allowances for the Supervisory Board, there were no business transactions between the related persons and the PSI Group in 2024 or in 2023.

Aufsichtsrat

The following persons were members of the Supervisory Board in the 2024 financial year:

Karsten Trippel (until July 26, 2024)
(Chairman)
Großbottwar

Managing Director of SIGMA GmbH, Großbottwar

Membership of supervisory boards of other companies:
1. Berlina AG für Anlagewerte, Berlin (Chairman)
2. Preussische Vermögensverwaltungs AG, Berlin
3. Riebeck-Brauerei von 1862 AG, Wuppertal (Chairman)
4. Ost-West Beteiligungs- und Grundstücksverwaltungs-AG, Cologne (Deputy Chairman)
5. Fleischerei-Bedarf Aktiengesellschaft von 1923, Coburg (Chairman)
6. promedtheus Informationssysteme für die Medizin AG, Mönchengladbach

Prof. Dr. Uwe Hack
(Chairman since July 26, 2024)
Metzingen

Professor of International Finance and Accounting, Furtwangen University

Membership of supervisory boards of other companies:
1. abcfinance GmbH, Cologne
2. abcbank GmbH, Cologne

Prof. Dr.-Ing. Ulrich Wilhelm Jaroni
(Deputy Chairman)
Aschau

Former member of the Management Board of ThyssenKrupp Steel Europe AG, Duisburg

Andreas Böwing (until July 26, 2024)
Herten

Former Head of Regulation Management at RWE Deutschland AG, Essen

Membership of supervisory boards of other companies:
Thyssengas GmbH, Dortmund

Dr. Patrick Wittenberg (since July 26, 2024)
Oldenburg

Chairman of the Executive Board of E.DIS AG, Fürstenwalde/Spree

Membership of supervisory boards of other companies:
1. Stadtwerke Barth GmbH, Barth (Deputy Chairman)
2. Stadtwerke Ribnitz-Damgarten GmbH, Ribnitz-Damgarten (Deputy Chairman)
3. Stadtwerke Energie und Wasser Potsdam GmbH, Potsdam
4. Netzgesellschaft Schwerin mbH, Schwerin (Deputy Chairman)
5. SWS Energie GmbH, Stralsund (Deputy Chairman)
6. Stadtwerke Brandenburg an der Havel GmbH (Deputy Chairman)
7. Stadtwerke Wismar GmbH, Wismar (Deputy Chairman)

Dr. Georg Tacke (since November 6, 2024)
Bonn

Senior Advisor at Simon-Kucher & Partners, Bonn

Membership of supervisory boards/boards of directors of other companies:
1. Scopevisio AG, Bonn (Deputy Chairman)
2. Digital Hub Bonn AG, Bonn
3. Skribble AG, Zürich (Member of the Board of Directors)
4. Sharpist GmbH, Berlin (Member of the Board)

Elena Günzler
(Employee representative)
Berlin

Product manager in the Discrete Manufacturing business unit of PSI SE, Berlin

Uwe Seidel
(Employee representative)
Duisburg

Maintenance project manager Contract & Service Management at the Operation & Support unit of the Grid & Energy Management business unit of PSI SE, Berlin

Remuneration of Executive Board and Supervisory Board

Remuneration totaling EUR 1,423 thousand (previous year: EUR 812 thousand) was granted to the Executive Board of PSI SE for the 2024 financial year. This total remuneration does not include long-term remuneration.

Remuneration was not paid to former members of the governing bodies (previous year: EUR 3,731 thousand).

The Supervisory Board received remuneration of EUR 329 thousand (previous year: EUR 330 thousand) in the reporting year.

Individualized information on the remuneration of the Executive Board and the Supervisory Board is presented in the Remuneration Report.

Disclosures on the German Corporate Governance Code

PSI SE issued the statements required in accordance with section 161 of the German Stock Corporation Act on December 30, 2024. They are permanently available to the shareholders in the investor relations section of PSI SE’s website **(www.psi.de).**

Event After the Reporting Period

After various conditions of the share and purchase agreement dated December 21, 2024, for the sale of 100% of the shares in PSI Transcom GmbH were met, control of the company ended on March 5, 2025. The final purchase price for the shares sold had not yet been determined at the time these consolidated financial statements were prepared.

Berlin, March 24, 2025

Robert Klaffus Gunnar Glöckner

Responsibility Statement

To the best of our knowledge and in accordance with the applicable accounting principles, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Berlin, March 24, 2025

PSI Software SE
The Executive Board

Robert Klaffus

Gunnar Glöckner

Independent Auditor's Report

To PSI Software SE, Berlin

Report on the Audit of the Consolidated Financial Statements and the Consolidated Management Report

Opinions

We have audited the consolidated financial statements of **PSI Software SE,** Berlin, (PSI SE) and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2024, the consolidated income statement, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from January 1 to December 31, 2024, and the notes to the consolidated financial statements, including material information regarding accounting policies. In addition, we have audited the consolidated management report of PSI Software SE, Berlin, for the financial year from January 1 to December 31, 2024. In accordance with the German legal requirements, we have not audited the content of section 6 "Group Non-Financial Statement" in the consolidated management report, the combined corporate governance declaration published on the Company's website, which is referenced in section 3 "Statutory disclosures," subsection "Combined corporate governance declaration" in the consolidated management report, or the information extraneous to management reports in accordance with section A.5 of the German Corporate Governance Code in section 4 "Report on Risks and Opportunities," subsection "Description of the Key Features of the Internal Control System (Recommendation A.5 of the German Corporate Governance Code)" in the consolidated management report.

In our opinion, based on the knowledge obtained in the audit:

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS accounting standards issued by the International Accounting Standards Board (IASB) (hereinafter referred to as "IFRS accounting standards") as adopted by the EU and the additional requirements of German commercial law pursuant to section 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at December 31, 2024, and of its financial performance for the financial year from January 1 to December 31, 2024, and

- the accompanying consolidated management report as a whole provides an appropriate view of the Group's position. In all material respects, this consolidated management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the consolidated management report does not extend to the unaudited elements of the consolidated management report set out above.

Pursuant to section 322(3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and the consolidated management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the consolidated management report in accordance with section 317 HGB and the EU Audit Regulation (No. 537/2014, subsequently referred to as the "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW — Institute of Public Auditors in Germany). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the consolidated management report" section of our auditor's report. We are independent of the Group companies in accordance with the commercial and professional regulations of European and German law and have fulfilled our other German professional obligations in accordance with these requirements. In addition, in accordance with Article 10(2) (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5(1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the consolidated management report.

Key Audit Matters for the Audit of the Consolidated Financial Statementss

Key audit matters are such matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we present what we consider to be the key audit matters:

1) Goodwill impairment
2) Project-related revenue recognition

Re 1) Goodwill impairment

a) Risk to the consolidated financial statements

Goodwill of EUR 57.5 million is reported in the consolidated financial statements of PSI SE under intangible assets. This accounts for approximately 21% of total assets. The Company tests goodwill for impairment as at the end of the respective financial year.

The goodwill impairment test is carried out on the basis of a valuation model using the discounted cash flow method at the level of the lowest cash-generating units. Impairment is required if the carrying amounts of goodwill exceed the recoverable amount of the respective cash-generating unit. The impairment test also reflects the change in the reporting structure at the end of the financial year in accordance with IAS 36.87. In this context, an additional impairment test was carried out before re-segmentation. Disclosures on goodwill and impairment testing are presented in the notes to the consolidated financial statements in section E. "Significant Judgments, Estimates and Assumptions" under "(28) Impairment of non-current assets" and in section F. "Presentation of accounting policies and financial risk management methods" under "(45) Impairment of non-current, non-financial assets." Information on the composition of goodwill and the impairment test can also be found in section G. "Disclosures on the consolidated balance sheet" under sub-section 1 "Intangible assets and property, plant and equipment" in the notes to the consolidated financial statements.

The calculation based on the discounted cash flow method is complex, and the result is largely dependent on management's assessment of the future cash inflows from the forecast business and earnings performance of the cash-generating units during the planning period and on the determination of the discount rate used.

In this context, there is a risk to the consolidated financial statements that an impairment requirement that exists as at the end of the reporting period is not detected. We therefore considered this a key audit matter.

b) Audit approach and conclusions

To assess the appropriateness of the planning assumptions, we obtained an understanding of the planning process and the associated controls that exist through interviews conducted with management. We compared the planning figures used in impairment testing against the business planning prepared by management and approved by the Supervisory Board.

The reliability of the business planning was assessed based on the forecast quality of previous years. If there were material deviations, these were discussed with the employees of PSI SE responsible regarding their relevance to these consolidated financial statements.

We assessed the appropriateness of PSI SE’s method of calculation and the key parameters used, such as the discount rate (weighted average cost of capital) including the market risk premium used, the beta factor and the growth discount, in consultation with a valuation specialist.

To ensure the mathematical accuracy of the measurement model used, we reconstructed PSI SE’s calculations on the basis of elements selected in line with risk considerations.

We also examined whether the carrying amount of the respective cash-generating unit was properly calculated as at the measurement date on the basis of the assets and liabilities to be taken into account. In addition, the allocation and reallocation of goodwill to the cash-generating units was examined for plausibility and appropriate implementation in discussions with management.

We verified the validity of the sensitivity analysis performed by PSI SE for the cash-generating units, which comprises a change in the discount rate, and assessed its mathematical accuracy.

We consider PSI SE’s method of calculation for impairment testing to be appropriate for calculating potentially necessary impairment requirements. Overall, the accounting parameters and assumptions applied appear to be comprehensible and appropriate and are consistent with our expectations.

Re 2) Project-related revenue recognition

a) Risk to the consolidated financial statements

Revenues of EUR 260,838 thousand are reported in the consolidated income statement for the 2024 financial year. These result from software development, the sale of licenses and merchandise as well as the typically downstream maintenance revenues. In software development, revenues are recognized over the period of time in line with the transfer of the associated significant risks and rewards to the customer, while revenues from licenses and hardware are recognized at a point in time if the respective services are agreed individually with the customer. Maintenance revenues are recognized over the contract term.

Due to a cyberattack in the financial year and the associated impact on the Company's processes and given the high degree of individualization and the large number of different contractual agreements within the Group as well as the extensive effects of project-related revenue recognition on disclosures of assets and liabilities as well as income and expense items, we consider revenue recognition in project business to be complex. Given this complexity, which entails an increased risk of accounting misstatements, we identified project-related revenue recognition as a key audit matter.

Disclosures on the accounting policies for revenues are presented in the notes to the consolidated financial statements in section E. "Significant Judgments, Estimates and Assumptions" under "(29) Project valuation" and in section F. "Presentation of accounting policies and financial risk management methods" under "Revenues." Information on the breakdown of revenues can also be found in section H. "Disclosures on the consolidated income statement" under sub-section H.15 "Revenues" of the notes to the consolidated financial statements. Further relevant information can be found in section G. "Disclosures on the consolidated balance sheet" in the subsections G. 3 "Net trade receivables" and G. 4 "Receivables and liabilities from long-term development contracts and deferred revenues" of the notes to the consolidated financial statements.

b) Audit approach and conclusions

In conjunction with our audit, we assessed the accounting policies used for the recognition of project-related revenues in the consolidated financial statements based on the criteria defined in IFRS 15. We did this by performing a structural audit in the field of revenue recognition and in particular of the effects of the cyberattack during the year.

In conjunction with the risk assessment, we obtained an understanding of the development of business in the period under review, including the effects of the cyberattack, and analyzed the extent to which subjectivity, complexity or other inherent risk factors could have influenced revenue recognition.

Due to the cyberattack, our audit was purely substantive and extended, in particular, to whether revenue was properly recognized at a point in time or over time. In particular, we examined the existence of an enforceable legal right and the possibility for alternative use of the contractual performance obligations.

Furthermore, we examined which different types of services were included in the contracts and whether these could be differentiated and thus accounted for separately.

In addition, we reviewed revenue recognition in project business based on the contractual agreements by randomly inspecting agreements and project documents, such as correspondence with customers, and evidence of hours booked. We also randomly validated the appropriateness of the percentage of completion through discussions with project controllers and leads.

We consider the accounting policies practiced by PSI SE for revenue recognition to be appropriate.

Other Information

Management and the Supervisory Board are responsible for the other information. The other information comprises:

– the report by the Supervisory Board;

– the remuneration report in accordance with section 162 AktG;

– section 6 “Group non-financial statement” in accordance with section 315b and section 315c HGB in the consolidated management report;

– the combined corporate governance declaration published on the Company’s website, which is referenced in section 3 “Statutory disclosures,” subsection “Combined corporate governance declaration” in the consolidated management report;

– the unaudited information extraneous to management reports in accordance with section A.5 of the German Corporate Governance Code in section 4. “Report on Risks and Opportunities,” subsection “Description of the Key Features of the Internal Control System (Recommendation A.5 of the German Corporate Governance Code)” in the consolidated management report;

– the responsibility statement in accordance with section 297(2) sentence 4 HGB and section 315(1) sentence 5 HGB on the consolidated financial statements and the consolidated management report; and

– the other parts of the annual report, but not the consolidated financial statements, the disclosures in the consolidated management report whose content was audited, or our related auditor’s report.

The Supervisory Board is responsible for the report of the Supervisory Board. The Company’s management and the Supervisory Board are responsible for the declaration of compliance with the German Corporate Governance Code in accordance with section 161 AktG, which is referred to in the combined corporate governance declaration published on the Company’s website and the remuneration report in accordance with section 162 AktG. In all other respects, management is responsible for the other information.

Our opinions on the consolidated financial statements and on the consolidated management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information referred to above and, in so doing, to consider whether the other information:

– is materially inconsistent with the consolidated financial statements, with the disclosures in the consolidated management report whose content was audited, or with our knowledge obtained in the audit; or

– otherwise appears to be materially misstated.

If, on the basis of our work, we come to the conclusion that this other information contains a material misstatement, we are required to report this fact. We have nothing to report in this context.

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements and the Consolidated Management Report

Management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS accounting standards as adopted by the EU and the additional requirements of German commercial law pursuant to section 315e(1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, management is responsible for such internal control as it has determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. the manipulation of financial reporting or financial losses) or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. It is also responsible for disclosing, as applicable, matters related to its continuation a going concern. In addition, it is responsible for financial reporting based on the going concern basis of accounting, unless there is the intention to liquidate or discontinue the Group, or there is no realistic alternative.

Furthermore, management is responsible for the preparation of the consolidated management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a consolidated management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the consolidated management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the consolidated management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Consolidated Management Report

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement due to fraud or error and whether the consolidated management report as a whole provides a suitable view of the Group's position and, in all material respects, is consistent with the consolidated financial statements, audit findings and German legal requirements, and accurately presents the risks and opportunities of future development, and to issue an audit report containing our audit opinions on the consolidated financial statements and the consolidated management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with section 317 HGB and the EU Audit Regulation and in compliance with the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can result from fraud or errors, and are considered material if they could reasonably be expected, individually or collectively, to influence the economic decisions that users make on the basis of these consolidated financial statements and the consolidated management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

– identify and assess the risks of material misstatements in the consolidated financial statements and the consolidated management report due to fraud or errors, we plan and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to form the basis of our audit opinions. The risk that a material misstatement as a result of fraud is not detected is greater than the risk that a material misstatement due to error is not detected, because fraud can include collusion, falsification, intentional omissions, misrepresentation or the invalidation of internal controls;

- obtain an understanding of the internal controls relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the consolidated management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal controls of the Group and these precautions and measures;

- evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures;

- conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor’s report to the related disclosures in the consolidated financial statements and in the consolidated management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern;

- evaluate the presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS accounting standards as adopted by the EU and the additional requirements of German commercial law pursuant to section 315e(1) HGB;

- plan and perform the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business areas within the Group as a basis to express opinions on the consolidated financial statements and on the consolidated management report. We are responsible for the direction, supervision and review of the audit activities performed for the purpose of the audit of the consolidated financial statements. We remain solely responsible for our audit opinions;

- evaluate the consistency of the consolidated management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group’s position it provides;

- perform audit procedures on the prospective information presented by management in the consolidated management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, the procedures or safeguards implemented to remove risks to independence.

Of the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current reporting period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Statutory and Legal Requirements

Report on the Audit of the Electronic Renderings of the Consolidated Financial Statements and the Consolidated Management Report in accordance with Section 317(3a) HGB prepared for the Purposes of Disclosure

Opinion

We have performed assurance work in accordance with section 317(3a) HGB to obtain reasonable assurance about whether the renderings of the consolidated financial statements and the consolidated management report (hereinafter the "ESEF documents") contained in the file "529900OS5AIRXC3T2J37-2024-12-31-de.zip" and prepared for publication purposes comply in all material respects with the requirements of section 328(1) HGB for the electronic reporting format (ESEF format). In accordance with the German legal requirements, this audit extends only to the conversion of the information contained in the consolidated financial statements and the consolidated management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the renderings of the consolidated financial statements and the consolidated management report contained in the above electronic file and prepared for publication purposes comply in all material respects with the requirements of section 328(1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying consolidated management report for the financial year from January 1 to December 31, 2024, contained in the "Report on the Audit of the Consolidated Financial Statements and on the Consolidated Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Opinion

We conducted our assurance work of the renderings of the consolidated financial statements and the consolidated management report contained in the above file in accordance with section 317(3a) HGB and the IDW Auditing Standard: Assurance in accordance with section 317(3a) HGB on the electronic rendering of financial statements and management reports prepared for publication purposes (IDW PS 410 (06.2022)). Our responsibilities under those requirements are further described in the “Auditor’s responsibilities for the audit of the ESEF documents” section. Our audit firm has applied the IDW Standard on Quality Management: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)).

Responsibilities of Management and the Supervisory Board for the ESEF Documents

The Company’s management is responsible for the preparation of the ESEF documents including the electronic renderings of the consolidated financial statements and the consolidated management report in accordance with section 328(1) sentence 4 no. 1 HGB and for tagging the consolidated financial statements in accordance with section 328(1) sentence 4 no. 2 HGB.

In addition, the Company’s management is responsible for such internal control as it has determined necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional noncompliance with the requirements of section 328(1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the accounting process.

Auditor’s Responsibilities for the Audit of the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of section 328(1) HGB. We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

– identify and assess the risks of material intentional or unintentional non-compliance with the requirements of section 328(1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion;

– obtain an understanding of the internal controls relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these controls;

– evaluate the technical validity of the ESEF documents, i.e. whether the electronic file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815 on the technical specification for this electronic file;

– evaluate whether the ESEF documents enable an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited consolidated management report;

– evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of Commission Delegated Regulation (EU) 2019/815 as applicable at the end of the reporting period enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

Further information pursuant to Article 10 of the EU Audit Regulation

We were elected as the auditor of the annual financial statements by the Annual General Meeting on July 26, 2024. In accordance with section 318(2) HGB, we are considered the auditor of the consolidated financial statements as no other auditor was appointed. We were engaged by the Chairman of the Audit Committee of the Supervisory Board of PSI Software SE, Berlin, on October 23, 2024. We have continuously been the auditor of the consolidated financial statements of PSI Software SE, Berlin, since the 2023 financial year.

We declare that the opinions expressed in this auditor’s report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other Issue — Use of the Audit Report

Our auditor’s report must always be read together with the audited consolidated financial statements and the audited consolidated management report as well as the examined ESEF documents. The consolidated financial statements and consolidated management report converted into ESEF format — including the versions to be published in the German Federal Gazette — are merely electronic renderings of the audited consolidated financial statements and the audited consolidated management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

Responsible Auditor

The German Public Auditor responsible for the engagement is Mr. Fuat Kalkan.

Berlin, March 26, 2025

RSM Ebner Stolz GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Dr. Christoph Eppinger	Fuat Kalkan
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

PSI Multi-Year Overview

in EUR million	**2024**	2023	2022	2021	2020
Order situation					
New orders	257	297	253	266	229
Order backlog	152	170	155	160	149
Income statement					
Revenues	260.8	269.9	247.9	245.5**	217.8
thereof Energy Management	131.1	138.9	130.4	138.1**	120.0
thereof Production Management	129.7	131.0	117.5	109.0**	97.8
Export share in %	48.2	45.0	43.9	39.6**	35.8
License revenues	16.9	16.9	14.3	16.0**	11.9
License share in %	6.5	6.3	5.8	6.5**	5.5
R&D expenses	45.6	43.5	36.6	32.3	27.8
R&D ratio in %	17.5	16.1	14.8	13.2**	12.8
Operating result (EBIT)	–15.2	5.6	20.2	25.0**	14.9
EBIT margin in %	–5.8	2.1	8.1	10.2**	6.8
Earnings before taxes (EBT)	–17.9	3.0	19.9	24.5**	13.7
Group net result	–21.0	0.3	9.7	15.8	10.3
Return on sales in %	–8.1	0.1	3.9	6.4	4.7
Cash flow					
Cash flow from operating activities	–19.7	16.8	3.4	38.8	24.8
Cash flow from investing activities	–7.0	–6.9	–9.8	–5.0	–13.4
Cash flow from financing activities	5.3	–5.0	–15.9	–7.7	–7.9
Investments*	7.7	7.7	10.3	5.4	5.8
Balance sheet					
Equity	95.4	111.7	119.0	114.7	100.3
Equity ratio in %	34.8	39.5	43.7	40.4	38.7
Return on equity in %	–22.0	0.3	8.2	13.8	10.3
Total assets	273.9	283.2	272.6	284.1	259.4
Share					
Earnings per share in EUR	–1.35	0.02	0.62	1.01	0.66
Closing price at end of year in EUR	21.10	25.30	22.45	46.30	24.40
Market capitalization on December 31	331.2	397.1	352.4	726.8	383.0
Employees					
Number of employees on December 31	2,434	2,310	2,251	2,223	2,056
Personnel expenses	190.1	183.7	161.6	155.8**	141.4

* Company acquisitions, intangible assets, property, plant and equipment
** Restated

PSI Quarterly Overview for 2024

in EUR million	Q1	Q2	Q3	Q4
Order situation				
New orders	95	59	44	59
Order backlog	212	211	188	152
Income statement				
Revenues	50.3	62.0	65.1	83.4
thereof Energy Management	23.8	29.6	31.4	46.3
thereof Production Management	26.5	32.4	33.7	37.1
Operating result (EBIT)	–14.8	–4.6	0.01	4.2
EBIT margin in %	–29.4	–7.5	0.0	5.0
Earnings before taxes (EBT)	–15.4	–4.9	–0.6	3.1
Group net result	–16.4	–6.1	–1.6	3.2
Return on sales in %	–32.6	–9.8	–2.4	3.8
Share				
Earnings per share in EUR	–1.06	–0.40	–0.10	0.21
Closing price at end of quarter in EUR	23.00	21.90	22.30	21.10
Employees				
Number of employees at end of quarter	2,335	2,324	2,316	2,434
Personnel expenses	46.8	47.9	48.5	47.0

Financial Calendar for 2025

Publication of annual results	March 27, 2025
Analyst conference	March 27, 2025
First-quarter report	April 30, 2025
Annual General Meeting	May 20, 2025
First half-year report	July 31, 2025
Third-quarter report	October 30, 2025
German Equity Forum analyst conference	November 24 to 26, 2025

The PSI Share

Stock exchange segment	Prime Standard
Stock exchange symbol	PSAN
Securities identification number (WKN)	A0Z1JH
ISIN	DE000A0Z1JH9

Your Investor Relations Contact

"In 2024, we had to deal with the consequences of a cyberattack and at the same time launched our strategic change program 'PSI reloaded.' With leaner corporate structures and a focused portfolio, we are now taking the next step on the way to becoming a cloud-first software company."

Karsten Pierschke
Head of Investor Relations
and Corporate Communications

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We would be glad to add your name to our shareholder information mailing list. Please also get in touch if you would like a copy of the PSI SE financial statements (in German). For the latest investor news, please visit our website at **www.psi.de/en/psi-investor-relations/.**

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