



## IMPORTANT BUSINESS TRANSACTIONS FIRST QUARTER 2022

The war between Russia and Ukraine is adversely affecting the growth of the global economy. The global economy has not yet fully recovered from the coronavirus pandemic and is being further impacted by the Ukraine crisis. As a result, economic risks have increased and are already being felt in the first quarter of 2022 due to rising inflation.

The International Monetary Fund (IMF) has significantly reduced its growth forecasts for 2022 compared to the last forecast in January 2022. According to the IMF, the global economy will grow by only 3.6 per cent in the current year, a reduction of 0.8 percentage points compared to the previous forecast.

The IMF expects lower growth rates, particularly in Europe. For the euro zone, the IMF expects growth of 2.8 per cent, a decline of 1.1 percentage points

compared with January 2022. The forecast for Germany has been reduced particularly substantially. A reduction of 1.7 percentage points to just 2.1 per cent is now expected. The forecasts for the USA and China were also lowered, although to a lesser extent.

Furthermore, it can be assumed that the ongoing coronavirus pandemic will continue to have a negative impact on future growth due to potential new variants.

### Orders situation

init acquired new orders totaling EUR 62.9m in the first quarter (Q1 2021: EUR 50.4m). Incoming orders are therefore significantly higher than the previous year's figure. Incoming orders for Q1 2022 include several small and medium-sized projects. The increase compared with the previous year's quarter

is mainly due to the supply business and follow-up deliveries.

The order backlog as of 31 March 2022 amounts to approximately EUR 164m and is therefore higher than the previous year's figure of approximately EUR 138m as at the reference date.

### Earnings position

Over the course of the financial year, the init group's revenue distribution fluctuates, with the first quarter generally being the weakest in terms of revenue and the fourth quarter the strongest.

During the first quarter of 2022, init generated revenues of EUR 35.6m (Q1 2021: EUR 40.5m). Revenues fell short of the previous year's figure. This is mainly due to delays in customer projects.

#### Breakdown of revenue by region from a three-month perspective:

in million					
EUR	01/01-31/03/2022	%	01/01-31/03/2021	%	
Germany	9.8	27.5	12.0	29.6	
Rest of Europe	6.5	18.3	8.8	21.7	
North America	14.6	41.0	15.3	37.8	
Other countries (Australia, UAE)	4.7	13.2	4.4	10.9	
<b>Total</b>	<b>35.6</b>	<b>100.0</b>	<b>40.5</b>	<b>100.0</b>	

Revenue based on customer's location.

The **gross profit** amounted to EUR 12.1m and was below the previous year's figure (Q1 2021: EUR 13.4m). The gross margin increased slightly compared to the previous year to around 34 per cent (Q1 2021: around 33 per cent).

**Sales and administrative expenses** have increased by EUR 1.1m to EUR 9.6m compared to the previous year (Q1 2021: EUR 8.5m). The increase is mainly attributable to the addition of necessary headcount. The cost increase is in line with our expectations for the first quarter of 2022.

**Research and development expenses** increased by EUR 0.6m to EUR 3.4m compared to the previous year (Q1 2021: EUR 2.8m). Expenses increased due to the next-gen development of our systems and products, which is also in line with our expectations.

**Foreign exchange gains** amounted to EUR 1,0m (Q1 2021: foreign exchange gains EUR 0,0m). This relates mainly to unrealised exchange rate gains and losses from the valuation of receivables and liabilities in foreign currencies.

**Earnings before interest and taxes (EBIT)** of EUR 0.5m are below the previous year's figure (Q1 2021: EUR 2.9m). The EBIT development differed significantly from the previous year, but is in line with our conservative forecast for the financial year 2022 and will improve significantly in the course of the year.

**Net interest income** (balance of interest income and interest expenses) amounted to EUR -0.1m and is above the previous year's level (Q1 2021: EUR -0.3m).

**Consolidated net profit** amounted to EUR 0.4m as of 31 March 2022, below the previous year's figure (Q1 2021: EUR 1.8m). Earnings per share amount to EUR 0.05 (Q1 2021: EUR 0.19).

The **total comprehensive income** amounts to EUR 0.8m (Q1 2021: EUR 3.7m). The decrease is a result of the performance of the consolidated net profit as well as lower gains from the currency translation of foreign companies, in particular due to the CAD and USD currencies.

Compared to the previous year's period, the **cash flow from operating activities** decreased to EUR 1.3m (Q1 2021: EUR 11.4m). The decrease is mainly due to the reduced reduction in trade receivables and the greater decrease in income tax liabilities.

**Cash flow from investing activities** amounted to EUR -0.4m (Q1 2021: EUR -0.7m) and mainly includes investments in replacements and expansions, which were reduced compared to the previous year.

The **equity ratio** amounts to 48.5 per cent (Q1 2021: 42.7 per cent) and increased significantly compared to the previous year.

**Equity** increased to EUR 103.3m as of 31 March 2022 (Q1 2021: EUR 94.3m).

## Personnel

On average, the init group employed 1,072 employees in the first three months of 2022 (Q1 2021: 1,050 employees), including temporary workers, research assistants and diploma students. The proportion of employees working part-time has also increased. In the first quarter of 2022, 186 employees were employed on a part-time basis (Q1 2021: 170).

### Number of employees by region:

	31/03/2022	31/03/2021
Germany	842	813
Rest of Europe	49	53
North America	136	141
Other Countries	45	43
<b>Total</b>	<b>1,072</b>	<b>1,050</b>

## Opportunities and Risks

The opportunities and risks which can have a crucial impact on the assets, financial and earnings position of the init group are set out in our Annual Report 2021 on pages 43 and following. The opportunities and risks described in the Annual Report 2021 remain largely unchanged.

In our assessment, risks in the procurement market due to materials shortages, difficulties associated with supply chains for various raw materials and increasing price levels, remain high.

All foreseeable risks are regularly analysed and corresponding measures initiated. In our opinion, there are no risks capable of jeopardising the continued existence of the company.

## Forecast and Outlook

The results of the first three months of the financial year 2022 were below the previous year's results. However, the key figures for the first quarter are in line with the Managing Board's cautious projections. The init group expects to be able to achieve the targets it has set for the financial year 2022. Incoming orders have significantly exceeded the previous year's figure. We are therefore **maintaining our existing projection** with regard to **consolidated revenues of between EUR 190m and EUR 200m** and operating earnings before interest and taxes (**EBIT**) **of between EUR 15m and EUR 20m**. init should return to its sustainable growth path from 2023 onwards and grow by an average of 10 to 15 per cent in revenue annually.

## Additional Information

Additional changes have occurred with regard to the shareholding of INIT Innovations in Transportation Inc. based in Chesapeake (USA) in Bytemark Inc., New York (USA). As a result of further capital increases in which init has not participated, the shareholding in Bytemark Inc. has been further diluted to 3 per cent. The investment in Bytemark had already been devalued to zero in the 2019 financial year.

This quarterly statement and the information contained within it is unaudited.

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

The actual results in terms of revenue and EBIT may differ substantially from the forecast figures if new risk factors occur or assumptions about planning become retrospectively incorrect.



## CONSOLIDATED INCOME STATEMENT

from 1 January 2022 to 31 March 2022 (IFRS) with comparative values (unaudited)

EUR'000	01/01 to 31/03/2022	01/01 to 31/03/2021
Revenues	35,577	40,530
Cost of Sales	-23,441	-27,121
<b>Gross Profit</b>	<b>12,136</b>	<b>13,409</b>
Sales and marketing expenses	-5,202	-4,656
General administrative expenses	-4,352	-3,843
Research and development expenses	-3,403	-2,831
Other operating income	662	871
Other operating expenses	-320	-62
Foreign currency gains and losses	991	26
<b>Earnings before interest and taxes (EBIT)</b>	<b>512</b>	<b>2,914</b>
Interest income	2	6
Interest expenses	-123	-275
<b>Earnings before taxes (EBT)</b>	<b>391</b>	<b>2,645</b>
Income taxes	-3	-820
<b>Consolidated net profit</b>	<b>388</b>	<b>1,825</b>
thereof attributable to equity holders of parent company	462	1,842
thereof non-controlling interests	-74	-18
Earnings and diluted earnings per share in EUR	0.05	0.19
Average number of floating shares	9,935,475	9,930,484

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

from 1 January 2022 to 31 March 2022 (IFRS) with comparative values (unaudited)

EUR'000	01/01 to 31/03/2022	01/01 to 31/03/2021
<b>Net profit</b>	<b>388</b>	<b>1,825</b>
<b>Items to be reclassified to the income statement:</b>		
Net gains (+) / losses (-) on currency translation	435	1,839
<b>Total other comprehensive income</b>	<b>435</b>	<b>1,839</b>
<b>Total comprehensive income</b>	<b>823</b>	<b>3,664</b>
thereof attributable to equity holders of the parent company	897	3,682
thereof non-controlling interests	-74	-18

# CONSOLIDATED BALANCE SHEET

as of 31 March 2022 (IFRS) with comparative values (unaudited)

EUR'000	31/03/2022	31/03/2021	31/12/2021
Cash and cash equivalents	33,081	38,088	28,158
Marketable securities and bonds	32	41	39
Trade accounts receivable	21,864	26,754	32,038
Contract assets	24,924	21,790	21,628
Receivables from related parties	0	94	3
Inventories	36,236	34,401	34,338
Income tax receivable	299	0	2,805
Other current assets	3,908	4,035	3,523
<b>Current assets, total</b>	<b>120,344</b>	<b>125,203</b>	<b>122,532</b>
Property, plant and equipment	54,207	57,126	55,668
Investment property	1,359	1,400	1,360
Goodwill	12,488	12,488	12,488
Other intangible assets	16,464	18,047	16,783
Interests in associated companies	841	570	841
Deferred tax assets	4,016	3,214	3,926
Other assets	3,226	3,146	3,302
<b>Non-current assets, total</b>	<b>92,601</b>	<b>95,991</b>	<b>94,368</b>
<b>Assets, total</b>	<b>212,945</b>	<b>221,194</b>	<b>216,900</b>
Bank loans	20,594	13,536	14,061
Trade accounts payable	6,357	7,597	6,932
Contract liabilities	7,102	8,993	7,075
Advance payments received	311	2,375	2,468
Income tax payable	0	144	3,444
Provisions	6,689	9,571	8,609
Other current liabilities	24,546	22,549	24,281
<b>Current liabilities, total</b>	<b>65,599</b>	<b>64,765</b>	<b>66,870</b>
Bank loans	13,878	19,991	15,279
Deferred tax liabilities	5,319	6,316	5,284
Pensions accrued and similar obligations	10,975	11,941	10,822
Provisions	2,148	2,465	2,403
Other financial liabilities	0	8,060	1,214
Lease liabilities	11,694	13,319	12,404
<b>Non-current liabilities, total</b>	<b>44,014</b>	<b>62,092</b>	<b>47,406</b>
<b>Liabilities, total</b>	<b>109,613</b>	<b>126,857</b>	<b>114,276</b>
Attributable to equity holders of the parent company			
Subscribed capital	10,040	10,040	10,040
Additional paid-in capital	7,599	6,810	7,587
Treasury stock	-2,586	-2,467	-2,467
Surplus reserves and consolidated unappropriated profit	87,798	82,213	87,344
Other reserves	335	-2,429	-100
	<b>103,186</b>	<b>94,167</b>	<b>102,404</b>
Non-controlling interests	146	170	220
<b>Shareholders' equity, total</b>	<b>103,332</b>	<b>94,337</b>	<b>102,624</b>
<b>Liabilities and shareholders' equity, total</b>	<b>212,945</b>	<b>221,194</b>	<b>216,900</b>

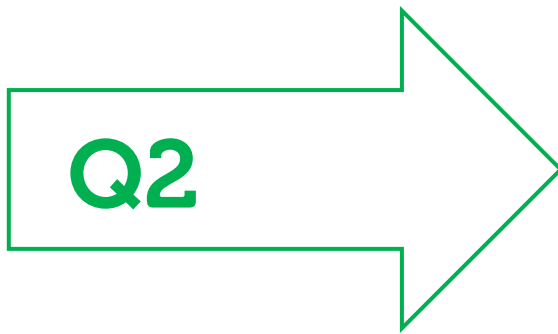


# CONSOLIDATED CASH FLOW STATEMENT

from 1 January 2022 to 31 March 2022 (IFRS) with comparative values (unaudited)

EUR'000	01/01 to 31/03/2022	01/01 to 31/03/2021
<b>Cash flow from operating activities</b>		
Net income	388	1,825
Amortisation and depreciation	2,437	2,435
Gain or losses on the disposal of fixed assets	-1	-23
Change in provisions and accruals	-2,076	-2,052
Change in inventories	-1,692	-1,221
Change in trade accounts receivable and contract assets	7,474	14,570
Change in other assets, not provided by / used in investing or financing activities	2,222	137
Change in trade accounts payable	-657	-674
Change in advanced payments received and contract liabilities	-2,199	-5,589
Change in other liabilities, not provided by / used in investing or financing activities	-4,684	900
Amount of other non-cash income and expenses	59	1,116
<b>Net cash from operating activities</b>	<b>1,271</b>	<b>11,424</b>
<b>Cash flow from investing activities</b>		
Payments received on disposal of property, plant and equipment	31	36
Investments in property, plant, equipment and other intangible assets	-397	-778
<b>Net cash flows used in investing activities</b>	<b>-366</b>	<b>-742</b>
<b>Cash flow from financing activities</b>		
Cash payments for the purchase of treasury stock	-498	-667
Payments received from bank loans incurred	9,011	1,132
Redemption of bank loans	-3,880	-5,064
Change in short and long-term lease liabilities	-907	-873
<b>Net cash flows used in financing activities</b>	<b>3,726</b>	<b>-5,472</b>
Net effects of currency translation and consolidation changes in cash and cash equivalents	292	667
<b>Changes in cash and cash equivalents</b>	<b>4,923</b>	<b>5,877</b>
Cash and cash equivalents at the beginning of the period	28,158	32,211
<b>Cash and cash equivalents at the end of the period</b>	<b>33,081</b>	<b>38,088</b>

> Financial Calendar 2022



**12 May**

Publication Quarterly Statement  
1/2022

**18 May**

Annual General Meeting 2022  
(virtual)



**10 August**

Publication Half-Year Financial  
Report 2022



**10 November**

Publication Quarterly Statement  
3/2022

**28-29 November**

Equity Forum (one-on-one meetings)



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