

QUARTERLY STATEMENT Q3 2023



CENIT GROUP – AT A GLANCE
1 JANUARY TO 30 SEPTEMBER 2023 (UNAUDITED)

in EUR k	Q3 2023	Q3 2022	Change in %	1/1- 30/09/23	1/1- 30/09/22	Change in %
Key data						
Revenue	45,835	41,952	9.3	133,305	115,863	15.1
Third-party software	22,852	21,696	5.3	67,607	65,351	3.5
from licences	789	1,175	-32.8	3,260	4,382	-25.6
from recurring sales*	22,063	20,521	7.5	64,347	60,968	5.5
Proprietary software	3,968	4,122	-3.7	11,605	12,105	-4.1
from licences	795	1,233	-35.6	2,364	3,552	-33.4
from recurring sales*	3,174	2,889	9.9	9,241	8,553	8.0
Consulting and services	18,749	16,121	16.3	53,757	38,352	40.2
Merchandise	266	13	>100.0	336	55	>100.0
EBITDA	3,725	2,754	35.3	9,471	6,132	54.5
EBIT	1,979	1,463	35.2	4,599	2,582	78.1
<i>as % of sales</i>	<i>4.32</i>	<i>3.49</i>	<i>0.8</i>	<i>3.45</i>	<i>2.23</i>	<i>1.2</i>
Net income	1,029	989	4.1	2,820	1,541	83.0
<i>per share in EUR cent (basic and undiluted after minority interests)</i>	<i>10.1</i>	<i>10.0</i>	<i>0.8</i>	<i>28.6</i>	<i>14.7</i>	<i>94.8</i>
Cash flow data						
Cash flow from current business activities	-1,458	2,036	>-100.0	8,500	11,316	-24.9
Cash flow from investment activity	-5,744	-188	>100.0	-8,263	-28,422	-70.9
Cash flow from financing activity	17,612	-2,246	>100.0	9,865	12,945	-23.8
Balance sheet ratios						
				30/09/ 2023	31/12/ 2022	Change in %
Liquid assets				30,072	19,914	51.0
Net liquidity / Net debt				-19,034	-13,775	-38.2
Total assets				144,505	127,037	13.8
Equity ratio in %				29.8	35.3	-15.4
Employees on reporting date				899	861	4.4
Key share ratios						
Closing share price (Xetra) in EUR				13.05	12.20	7.0
Market capitalization				109,199	102,086	7.0

*Subscription and software maintenance contracts

Report on assets and financial and earnings situation

Continued strong consulting and service business (vs. previous year: +40.2%) and increased recurring license sales continue to define sales growth (vs. previous year: + EUR 4,067 k, +5.9%) in the first nine months of 2023

The consulting and service business which was already growing strongly in the first half-year, continued to do so in the third quarter (vs. previous year: +16.3%) and keeps getting boosted sustainably by an increase in the sale of recurring license revenue (vs. previous year: +5.9%).

Especially the acquisitions of the year 2023 contributed to the expansion of the consulting and service business, with sales of EUR 3,534 k. In total, the three companies have contributed EUR 4,061 k to sales and EUR 257 k to consolidated EBIT since joining the Group.

Against the above-mentioned background and taking into account higher other operating income (vs. previous year: EUR +1.061 k), a lower cost of materials ratio driven by the product mix (vs. previous year -3.2 percentage points), as well as increased personnel expenses (vs. previous year: EUR +9,242 k) and despite increased operating expenses (vs. previous year: EUR +2,114 k) mainly due to acquisitions, a 78.1% improvement in consolidated EBIT in the amount of EUR 4,599 k was achieved.

Compared to the previous year's quarter results group EBIT increased by 35.2% to EUR 1,979 k in the third quarter 2023, corresponding to a Group EBIT margin of 4.32% (previous year: 3.49%). In the first nine months of 2023, Group EBIT increased by 78.1% to EUR 4,599 k (previous year: EUR 2,582 k). This in turn corresponds to a Group EBIT margin of 3.45% (previous year: 2.23%).

Segments at a glance

In the first nine months of 2023, the performance of the two segments PLM and EIM continued the trend of the first half-year. Especially inorganically, EIM could achieve an increase in segment sales of 59.4%, achieving an EBIT of EUR 1.394 k. The PLM segment was able to boost segment sales by 7.0%, increasing the segment EBIT over proportionally by EUR 2,480 k to EUR 3,205 k. The sale of CENIT Japan K.K., which had a positive effect on segment EBIT due to the deconsolidation gain of EUR 871 k, contributed to this notably.

Continuously positive operating cash flow (EUR 8,500 k), as well as its earning power secure the stability of CENIT Group

The continuously positive cash flow from operating activities (EUR 8,500 k, previous year: EUR 11,316 k), mainly results from a positive change in working capital (EUR 2,540 k). To finance acquisitions, CENIT took up a new loan in the amount of EUR 40,000 k, which, after deduction of the conversion of the prior-year loan and the repayment of EUR 22,655 k, the dividend paid of EUR 4,184 k to the shareholders of CENIT AG and of EUR 469 k paid to minorities, along with the lease liability payments of EUR 2,827 k, results in a positive cash flow from financing activities of EUR 9,865 k. The cash flow from investing activities (EUR -8,263) is mainly due to the acquisition of shares in fully consolidated companies, amounting to EUR 7,403 k, as well as due to the acquisition of property, plant and equipment, and intangible assets. As a result, cash and cash equivalents as of September 30, 2023, increased by EUR 10,158 k to EUR 30,072 k compared to December 31, 2022.

Due to the dividend-related decrease in equity, the increase in non-current liabilities to banks and the increase in contractual liabilities, the equity ratio decreased to 29.8% throughout the year. Net liquidity decreased to EUR -19,034 k, mainly due to the financing of this year's acquisitions.

Compared to December 31, 2022, total assets increased by EUR 17,468 k. With regard to assets, this is mainly due to an increase in intangible assets, resulting from the capitalization of the provisionally determined goodwill (EUR 7,287 k) from the acquisition of 2023, as well as the increase of cash and

cash equivalents as a consequence of the positive cash flow. With regard to liabilities, the increase is mainly attributable to the acquisition loan (EUR 38,696 k) reported under financial liabilities and to increased current contract liabilities from software maintenance agreements (EUR +5,899 k).

Events after the interim report period

Axelle Mazé has resigned from the Management Board for private reasons as of 31 October 2023 and will leave the Management Board of CENIT AG by mutual agreement as of 31 December 2023. Peter Schneck will take over her responsibilities on an interim basis until the end of the year. In this regard, we refer to our press release published today on this matter.

Employees

As of the reporting date September 30, 2023, the CENIT Group had 899 employees (Dec. 31, 2022: 861). CENIT strives to increase the utilization rate of its employees so that, despite the acquisitions and the resulting increase in the number of employees, an adjustment takes place at the same time.

Report on principal transactions with related parties

There have been no material changes to the relevant information since the last consolidated financial statement for the period to December 31, 2022.

Report on opportunities and risks

For information on the principal opportunities and risks for the anticipated development of the CENIT Group, we refer to the relevant comments in the report on expected developments within the Group's management report for the period to December 31, 2022.

Report on forecasts and other statements regarding anticipated development

Over the course of a year, business activity is subject to certain seasonal fluctuations. In the past, contributions to sales and earnings tended to be lowest in the first quarter and highest in the fourth quarter, primarily due to a traditionally strong year-end business for the software industry. Consequently, interim results had only limited value as indicators of results for the whole fiscal year.

For the current year our outlook for the CENIT Group is to reach a revenue of around EUR 180,000 k and earnings (EBIT) of around EUR 9,500 k. This forecast does not include any new acquisition effects.

CENIT AKTIENGESELLSCHAFT, STUTTGART
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IN ACCORDANCE WITH IFRS) (UNAUDITED)

in EUR k	Q3 2023	Q3 2022	01/01 - 30/09/2023	01/01 - 30/09/2022
REVENUE	45,835	41,952	133,305	115,863
Other operating income	428	76	1,875	814
OPERATING INCOME	46,263	42,028	135,180	116,677
Cost of materials	20,063	18,052	56,210	52,576
Personnel expenses	18,461	17,793	58,198	48,956
Amortisation of intangible assets and depreciation of property, plant and equipment	1,746	1,290	4,872	3,550
Other operating expenses	3,982	3,389	11,083	8,968
OPERATING EXPENSES	44,252	40,524	130,363	114,050
Impairments on receivables	-32	-41	-218	-45
NET OPERATING INCOME (EBIT)	1,979	1,463	4,599	2,582
Interest income	44	0	47	1
Interest expenses	527	120	1,062	221
NET PROFIT (LOSS) BEFORE TAXES (EBT)	1,497	1,343	3,584	2,362
Income taxes	467	354	830	821
NET INCOME CONTINUED OPERATIONS	1,029	989	2,754	1,541
Net Income/Loss discontinued operations	0	0	66	0
NET INCOME	1,029	989	2,820	1,541
Amount attributable to CENIT AG shareholders	847	842	2,395	1,229
Amount attributable to non-controlling interests	182	147	425	312
<i>Earnings per share in EUR cent, basic and diluted</i>	<i>10.1</i>	<i>10.0</i>	<i>28.6</i>	<i>14.7</i>
Items that, under certain circumstances, will be reclassified under the income statement in the future				
Compensation from currency translation for foreign subsidiaries	86	211	60	436
Other comprehensive income after taxes	86	211	60	436
Total comprehensive income	1.116	1,200	2.880	1,977
Amount attributable to CENIT AG shareholders	934	1,053	2.455	1,665
Amount attributable to non-controlling interests	182	147	425	312

CENIT AKTIENGESELLSCHAFT, STUTTGART
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN ACCORDANCE WITH IFRS) (UNAUDITED)

in EUR k	30/09/2023	31/12/2022
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	45,520	37,626
Property, plant and equipment	11,897	13,371
Investments recognised to equity	59	59
Other financial assets	8,841	9,988
Deferred tax assets	1,204	1,017
NON-CURRENT ASSETS, total	67,521	62,061
CURRENT ASSETS		
Inventories	138	72
Trade receivables	23,274	26,032
Receivables from investments recognised to equity	4,016	3,891
Contract assets	1,985	1,639
Current tax assets	4,599	2,222
Other receivables	418	425
Cash holdings	30,072	19,914
Other assets	12,482	10,781
CURRENT ASSETS, total	76,984	64,976
TOTAL ASSETS	144,505	127,037

CENIT AKTIENGESELLSCHAFT, STUTT GART
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN ACCORDANCE WITH IFRS) (UNAUDITED)

in EUR k	30/09/2023	31/12/2022
EQUITY AND LIABILITIES		
EQUITY		
Subscribed capital	8,368	8,368
Capital reserves	1,058	1,058
Currency translation reserve	1,457	1,397
Legal reserve	418	418
Other reserves	13,787	13,787
Profit carried forward	13,621	11,522
Net income	2,395	6,283
Equity attributable to shareholders in the parent company	41,104	42,833
Non-controlling interests	2,016	1,950
EQUITY, total	43,120	44,783
NON-CURRENT LIABILITIES		
Other liabilities	538	511
Pension liabilities	794	844
Liabilities to bank non-current	38,696	0
Lease liability, non-current	6,564	8,144
Other financial liabilities	1,660	1,660
Deferred tax liabilities	3,235	2,830
NON-CURRENT LIABILITIES, total	51,487	13,989
CURRENT LIABILITIES		
Liabilities to bank	2	21,353
Trade payables	5,289	11,163
Liabilities from investments recognised to equity	0	26
Other liabilities	16,082	13,273
Lease liability, current	3,050	3,349
Current income tax liabilities	1,015	558
Other provisions	92	74
Contract liabilities	24,368	18,469
CURRENT LIABILITIES, total	49,898	68,265
TOTAL EQUITY AND LIABILITIES	144,505	127,037

CENIT AKTIENGESELLSCHAFT, STUTTGART		
CONSOLIDATED STATEMENT OF CASH FLOWS (IN ACCORDANCE WITH IFRS) (UNAUDITED)		
in EUR k	01/01-30/09/2023	01/01-30/09/2022
Cash flow from operating activities		
Net income	2,820	1,541
Depreciation of fixed assets	4,872	3,550
Losses (+) on disposals of assets	10	2
Interest income and expenses	1,015	220
Tax expenses	830	821
Income from the disposal of fully consolidated companies	-871	0
Decrease in other non-current assets	1,147	0
De-/Increase in other non-current liabilities and reserves	-499	25
Change in working capital	2,540	7,431
Interest paid	-917	-106
Interest received	47	0
Income taxes paid	-2,494	-2,168
CASH FLOW FROM CURRENT BUSINESS ACTIVITIES	8,500	11,316
Payments for investments in property, plant and equipment and intangible assets		
Payments for investments in property, plant and equipment and intangible assets	-1,184	-495
Payments for purchase of shares in fully consolidated entities (net cash out-flow)	-7,403	-27,927
Payment for investments	324	0
CASH FLOW FROM INVESTMENT ACTIVITIES	-8,263	-28,422
Lease liability payments		
Lease liability payments	-2,827	-2,431
Dividends to shareholders in the parent company	-4,184	-6,276
Dividends to non-controlling interests	-469	-523
Receipt from taking up of financial liabilities	40,000	23,000
Financial liability repayments	-22,655	-825
CASH FLOW FROM FINANCING ACTIVITIES	9,865	12,945
CHANGES IN CASH AND CASH EQUIVALENTS		
Change in cash and cash equivalents due to foreign exchange differences	56	566
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD	19,914	26,359
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	30,072	22,764

CENIT AKTIENGESELLSCHAFT, STUTTGART
STATEMENT OF CHANGES IN EQUITY (IN ACCORDANCE WITH IFRS) (UNAUDITED)

	Equity attributable to shareholders in the parent company								
in EUR k	Subscribed capital	Capital reserves	Currency translation reserve	Revenue reserves		Profit carried forward	Net income	Non-controlling interests	Total
				Legal reserve	Other reserves				
On 01/01/2022	8,368	1,058	1,159	418	14,076	13,547	4,251	768	43,645
Reclassification of Group net income from last year						4,251	-4,251		0
Total comprehensive income for the period			238		429		6,283	326	7,276
Addition to basis of consolidation								2,260	2,260
Dividends paid to minority interests								-523	-523
Step-up of minority interests					-718			-881	-1,600
Dividend distribution						-6,276			6,276
On 31/12/2022	8,368	1,058	1,397	418	13,787	11,522	6,283	1,950	44,783
Reclassification of Group net income from last year						6,283	-6,283		0
Total comprehensive income for the period			60				2,395	425	2,880
Increase in non-controlling in-terests								110	110
Dividend distribution to non-controlling interests								-469	-469
Dividend distribution						-4,184			-4,184
On 30/09/2023	8,368	1,058	1,457	418	13,787	13,621	2,395	2,016	43,120

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