cenit

FINANCIAL REPORT 2024

CENIT at a glance

207.33

million €
Sales +22.6%

17.26

million €
EBITDA +5.2%

in million EUR	2024	2023	2022	2021	2020
Sales	207.33	184.72	162.15	146.07	142.13
EBITDA	17.26	16.41	11.94	11.27	9.59
EBITA	11.35	11.20	7.30	6.66	4.46
EBIT	7.38	9.22	6.31	6.23	3.63
Net income	-1.57	4.99	6.61	4.35	2.29
Earnings per share in EUR	-0.23	0.54	0.75	0.51	0.28
Dividend per share in EUR	Vorschlag: 0.00	0.04	0.50	0.75	0.47
Equity ratio in %	30.3	29.3	35.3	47.0	51.2
Employees	984	893	861	685	711
Number of shares	8,367,758				

Employees

984

€
EPS

-0.23

Contents

PREFACE OF THE MANAGEMENT BOARD

To our shareholders,

Dear readers,

The fiscal year 2024 marked the end of an era. A critical convergence of risks and transformation processes created a challenging environment. A range of different factors all contributed to what could be described as a **perfect storm**.

Severe pressure to transform led to economic and societal crises on our markets. At the same time, these developments provided **impetus for structural change**.

We experienced a whole new willingness to tackle challenges using tech-driven, disruptive solutions.

Recognized partner for sustainable digitalization

CENIT's strategic gearing proved successful in this tough environment. Our positioning as a **partner for economic success and sustainability through digital end-to-end processes** won over the market.

We would like to thank our customers for their trust, our strategic partners SAP, Dassault Systèmes and IBM for the innovation-driven collaboration and our colleagues for their outstanding dedication.

We will continue on this successful path as a driver of sustainable digitalization.

Challenges and adjustments in 2024

In view of the difficult situation on our main customer markets, our earnings in the fiscal year 2024 fell far short of expectations.

The CENIT Group achieved its growth targets in the fiscal year 2024, with consolidated sales of EUR 207.33 million and a 22.6% increase year on year. EBITDA also rose substantially, by 5.2% from 16.41 to 17.26. Only the Group's EBIT decreased in the same period to EUR 7.4 million (prior year: EUR 9.2 million), and that was due to the acquisition costs.

The decline in EBIT is also directly linked to a reticence to invest and the loss of orders due to unit sales problems at the customers. Particularly in the key industries, automotive and aviation, the perfect storm resulted in real pressure for companies.

The Management Board took decisive action in response to this weakened earnings power. As already announced on the capital market, several additional **programs for improving earnings** were implemented. These included personnel measures, price adjustments and additional cost-cutting measures.

Investments in portfolio quality and an enhanced role in the ecosystem of strategic partners

Expanding our network continued to be an important part of our growth strategy in 2024.

The **acquisition of Analysis Prime LLC (USA)** propelled development forward in two ways. Firstly, we expanded the presence of the CENIT Group in North America. Secondly, the analytics specialist constituted a key milestone for our objective of becoming a leading international holistic SAP partner with its own SAP integration and add-on products. This is because Analysis Prime is one of the world's top experts for SAP Analytics Cloud.

By **taking over CCE b:digital** (Germany) right at the start of 2024, the CENIT Group secured market shares in the dynamic environment of the 3DEXPERIENCE platform and gained greater weight as a VAR partner to Dassault Systèmes.

Both of these M&A activities enhanced our market significance and prompted Dassault Systèmes and SAP to use us for benchmark projects of major multinationals. The new strategic partnership **with management consulting firm Bain & Company** deepened this approach and honed our marketing for digitalized value added.

Another successful project for our growth strategy in 2024 was the refinancing using a syndicated loan. This allowed us to put in place a solid financial basis for future M&A activities.

Investments in internal performance

A focus for **internal corporate development** was on the new "Professional Development and Organizational Growth" program. We are using transparent structures to promote the individual development of our staff and the growth of our organization in a targeted way.

In this regard, too, we want to continue to grow as a company: We support diversity and inclusion in the workplace and see it as a prerequisite for a successful culture of innovation. Consequently, we continued with our diversity activities in 2024.

We care about our employees' health. So we are delighted to have been able to introduce company health insurance for CENIT in Germany.

Other measures such as a pre-paid card for local retailers improved CENIT's attractiveness as an employer even further.

Corporate potential in a challenging market situation

The CENIT Group laid strong foundations for the current fiscal year. While the macroeconomic risks will remain in 2025, we can already see how companies are weathering the perfect storm. With a strategic **triad of growth, profitability and sustainability**, there is an emphasis on investments in new technologies and the digitalization of value added. Business-relevant use cases for artificial intelligence are being industrialized, and scenarios for current developments such as AI agents (Agentic AI) are being identified. This is the only way for companies to retain their manufacturing at European locations.

In a **strategic business plan up until 2030**, we will define how the **CENIT Group** will use the opportunities that this period offers.

Sustainable digitalization? That's CENIT!

Thanks to our efficiency-increasing and automation services based on end-to-end digital processes, we see ourselves in a perfect position to safeguard our customers' economic success and to move through the perfect storm and into the next growth phase.

The CENIT Group helps companies to marry innovative power with structural adaptability and resilient profitability. Through **digitally integrated management of product lifecycle and document logistics**. With business processes that can be controlled by IT systems throughout.

More information on CENIT as an end-to-end partner as well as brief overviews of successful customer projects can be found in the section from page 11 of this annual report.

Our aim is to build on these strengths. We want **CENIT** to become a **synonym for successful digitalization**!

It is true that these are challenging times. However, we have the tools for our success and for a sustainable future. Those are **the courage to change and to trust the people** who are shaping this change with passion and foresight.

With best wishes,

Peter Schneck	Axel Otto
CEO	CFO

REPORT OF THE SUPERVISORY BOARD

Report of the Supervisory Board

Dear shareholders,

2024 was a year characterized yet again by numerous geopolitical challenges and economic uncertainty. The ongoing war between Russia and Ukraine as well as the instability in the Middle East continue to pose a risk to the global economy. Additionally, factors such as high energy costs, inflation, supply chain problems as well as the migrant crisis impacted on the economic environment in Germany. According to the current Annual Economic Report by the German government, economic growth shrank by 0.2% in 2024.

In view of the ongoing uncertainties involving domestic and foreign policy, the modest development of the domestic economy in the past year is expected to continue this year. In its annual projection for 2025, the German government is forecasting a moderate 0.3% rise in price-adjusted GDP.

The difficult market environment also impacted on the CENIT Group and its customers. Despite our best efforts, sales fell short of expectations at EUR 207.3 million. At EUR 7.4 million, EBIT was likewise lower than forecast. As economic framework conditions are expected to remain challenging, the CENIT Group considers it more likely than not that business figures will stagnate in 2025. Nevertheless the Company will continue to use its long-term strategic gearing and targeted measures to ensure stability.In the fiscal year 2024, the Supervisory Board conscientiously performed all duties to which it is obliged by law and the articles of incorporation and bylaws. We regularly advised the Management Board on its governance of the Company, carefully monitored its conduct of business and satisfied ourselves as to the lawfulness, expediency and correctness of its activities.

The Supervisory Board was involved at an early stage in all decisions of fundamental importance to the Company. In the Supervisory Board meetings, the Management Board informed us in a timely and comprehensive manner on all relevant aspects of the corporate strategy, planning, the course of business and the financial situation and financial performance of the Group. The reports also covered the risk situation, risk management and compliance in detail.

The Supervisory Board meetings took place both in person and online. All acting members took part in the meetings.

Meetings	In person/online	Rainer-Christian Koppitz	Regina Weinmann	Laura Schmidt
27 March 2024	in person	X	X	X
3 April 2024	online	X	X	X
24 May 2024	in person	X	X	X
6 June 2024	in person	X	X	X
1 - 3 July 2024	in person	X	X	X
23 July 2024	online	X	X	X
25 September 2024	in person	X	X	X
29 November 2024	in person	X	X	X
13 December 2024	in person	X	X	X

In its own estimation, the Supervisory Board has an appropriate number of members who maintain no business or personal relationships with the Company or members of the Management Board that could give rise to a conflict of interest. As in prior years, the Supervisory Board did not consider it necessary to form committees in view of the small number of members on the Supervisory Board. During the reporting period, no conflicts of interest arose on the part of members of the Supervisory Board. Beyond the scope of the regular meetings, the Supervisory Board regularly discussed current topics.

Matters addressed by meetings of the Supervisory Board

At all Supervisory Board meetings in the reporting year, the Management Board reported on the development of sales and earnings in the Group. Additionally, it explained the course of business in the individual business segments and presented the assets, liabilities, financial position and performance. The Supervisory Board placed particular emphasis on potential consequences for risk and liquidity management, especially in light of the geo-political conflict between Russia and Ukraine and the conflict in the Middle East. Other topics at the meetings included the development of business in the respective quarters, M&A activities as well as Corporate Social Responsibility (CSR).

Financial reports / audits

During its balance sheet meeting on 27 March 2024 and in the presence of the auditor/group auditor, the Supervisory Board considered the Company's annual financial statements. The annual financial statements of CENIT Aktiengesellschaft and the consolidated financial statements for the fiscal year 2023, both prepared by the Management Board, were audited by Grant Thornton AG Wirtschafts-prüfungsgesellschaft, Stuttgart, which was appointed auditor at the ordinary General Meeting of Shareholders on 17 May 2023, including the accounting and the management report and group management report. In particular, and in detailed discussions with the Management Board and the auditor, the Supervisory Board reviewed the annual financial statements and consolidated financial statements presented as well as the management report and the group management report, also taking underlying accounting policy into consideration. On the basis of the audit reports and in individual discussions, the Supervisory Board further considered the results of the audit of the annual financial statements. The Supervisory Board was satisfied that the audit and the audit reports fulfilled the requirements of Secs. 317, 321 HGB. The financial statements for 2023, prepared by the Management Board and on which an unqualified audit opinion was issued by the auditor, were discussed and deliberated on in detail on 27 March 2024. In the meeting on 3 April 2024, the Supervisory Board ratified the 2023 annual financial statements of CENIT Aktiengesellschaft and noted the 2023 consolidated financial statements with approval.

Further matters addressed by the meetings

During the course of the year, the Supervisory Board was continually kept informed of periodic financial results and undertook detailed discussions with the Management Board on the 2024 semi-annual financial statements as well as interim reports for the individual quarters. A consistent focus of these discussions was on the review of developments in earnings and sales during 2024. In addition, the remuneration report of the Management Board and the report of the Supervisory Board were agreed upon at the General Meeting of Shareholders. Furthermore, the Supervisory Board was regularly informed of the status of M&A and investor relations activities, of HR work and ongoing strategy planning.

A key component was the preparation for the General Meeting of Shareholders on 6 June 2024.

Risk management

Risk management at the CENIT Group was a key topic at several meetings. The Management Board reported on the chief risks for the Group and the risk monitoring system put in place to address these risks. In numerous discussions with the Management Board and several meetings with the auditor, the Supervisory Board satisfied itself of the effectiveness of the risk monitoring systems.

Corporate Governance

On several occasions in the course of the fiscal year, we reviewed particulars of corporate governance matters with the CENIT Group, including the new version of the German Corporate Governance Code adopted by the Government Commission. The Supervisory Board is convinced that good corporate governance constitutes a significant foundation for the success, reputation and self-image of the Group. For this reason, the Supervisory Board has continually monitored and considered the ongoing development of corporate governance standards and their implementation within CENIT. This also included regular verification of the efficiency of our own activities. In numerous discussions – also with the auditor – the lawfulness of business management and the efficiency of the corporate organization were scrutinized.

An awareness of continually responsible and lawful conduct and of its existential significance for the CENIT Group are well entrenched within the Group and its corporate bodies. The Management and Supervisory Boards reported on corporate governance at CENIT in their Corporate Governance Report. On 15 February 2024, the Supervisory Board issued its Declaration of Conformity with the German Corporate Governance Code as amended on 28 April 2022 in accordance with Sec. 161 AktG and made this declaration available to the Company's shareholders on the Company's website.

Balance sheet meeting 2025 on the annual and consolidated financial statements for 2024

The accounting, the annual financial statements with the management report for the 2024 fiscal year, the consolidated financial statements with explanations and the group management report for the 2024 fiscal year were audited by Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Stuttgart. Grant Thornton was appointed as auditor of the annual financial statements and consolidated financial statements at the General Meeting of Shareholders on 6 June 2024. In accordance with the duties of the Supervisory Board, the qualifications, independence and efficiency of the auditor were reviewed.

The auditor issued unqualified audit opinions on the 2024 annual financial statements and consolidated financial statements of CENIT prepared by the Management Board, including the management report and group management report. The annual financial statements of CENIT Aktiengesellschaft were prepared in accordance with the principles of German commercial law (HGB). The consolidated financial statements comply with the International Financial Reporting Standards (IFRS). All members of the Supervisory Board had full and timely access to the financial statements documents and audit reports. The Supervisory Board has discussed the audit report intensively with both the Management Board and the auditor in order to satisfy itself as to its propriety. The Supervisory Board is confident that the audit reports for 2024 were fully compliant with statutory requirements.

During the meeting on 3 April 2025, the auditor reported on the main findings of the audits of the separate financial statements of CENIT Aktiengesellschaft and was available to provide additional information and respond to queries. On that occasion, all members of the Supervisory Board were able to satisfy themselves that the audit has been conducted in compliance with statutory requirements and in an adequate manner.

As a conclusive result of its own reviews in accordance with Sec. 171 AktG, the Supervisory Board noted that it had no objections.

At its meeting on 9 April 2025, the Supervisory Board approved the annual financial statements prepared by the Management Board for CENIT Aktiengesellschaft for the 2024 fiscal year, thus ratifying the financial statements pursuant to Sec. 172 AktG. The Supervisory Board also acknowledged and approved the consolidated financial statements for the 2024 fiscal year on 9 April 2025.

Following its examination, the Supervisory Board agrees with the proposal of the Management Board for the appropriation of the net profit.

The Supervisory Board wishes to thank the Management Board and all CENIT employees throughout the world for their performance and dedication in a challenging fiscal year.

Stuttgart, April 2025
On behalf of the Supervisory Board

Rainer-Christian Koppitz
Chairman of the Supervisory Board


We value our employees
We foster strategic partnerships
We have a learning culture
Partnership
Entrepreneurial
Forward Thinking
Dynamic
Trust

CENIT AS END-TO-END-PARTNER

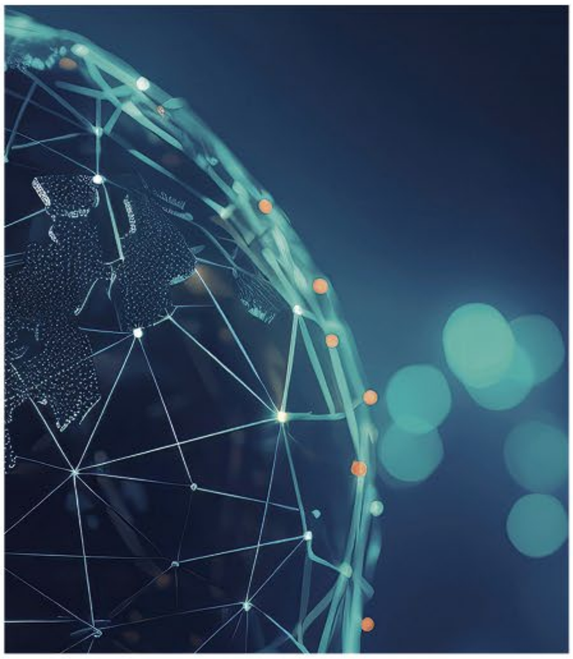
A COMPETITIVE EDGE
THROUGH DIGITALIZATION

CENIT as an end-to-end partner

The German economy is stuck in a rut. While the USA and China are upgrading their industries with billions in investment programs, Europe is battling with recession. According to Handelsblatt Research Institute (HRI), the German economy will continue to contract in 2025, for the third year in a row. Economists are not forecasting a return to growth until 2026, when marginal growth is expected.

The manufacturing industry is particularly affected. Rising energy prices, high labor costs and increasing global competition are putting companies under pressure. Some companies are responding by relocating their production sites, while others are taking cost-cutting measures or using a combination of these two strategies.

But there is a third strategy that stands for sustainable success, and that is digitalization. Those who take action now to structure their processes more efficiently, connect data and take advantage of automation potential can not only reduce costs but also safeguard innovative power and competitiveness. Both studies and practice have shown that investments in digital processes pay off: **Product Lifecycle Management (PLM) solutions alone can allow companies to raise their efficiency in product development by roughly 19% compared to standard processes. They also shorten time to market by 17%, with production costs reduced by approximately 13%***.



A central component is the end-to-end integration of software solutions, and this is precisely where CENIT comes in with its unique portfolio of end-to-end process solutions that are seamlessly integrated and offer digital process and data continuity.

Efficiency through intelligent PLM solutions

A decisive factor for companies is the end-to-end digital representation of the entire product lifecycle.

CENIT offers tailored **Product Lifecycle Management (PLM)** solutions that range from the initial idea to development, manufacturing and maintenance. The seamless integration into existing IT landscapes means that companies can optimize their processes, shorten development times and lower costs.

SAP and ERP integration for end-to-end data flows

Many companies are struggling with fragmented system landscapes. Data islands between development, logistics and manufacturing make it difficult to have efficient processes.

With its **SAP and ERP integration**, CENIT ensures the seamless flow of information across all business divisions. Standardized interfaces and tried-and-tested methods combine to create a consistent data basis, which is an essential foundation for considered decisions and maximum efficiency.

Robotics and automation as the key to a smart factory

The future of manufacturing lies in smart automation.

CENIT assists companies in the implementation and optimization of robotics solutions that not only increase efficiency and precision but also reduce costs in the long term. From the virtual twin to the real-life production line, CENIT ensures seamless integration into existing production environments.

Enterprise Information Management (EIM) for complete data control

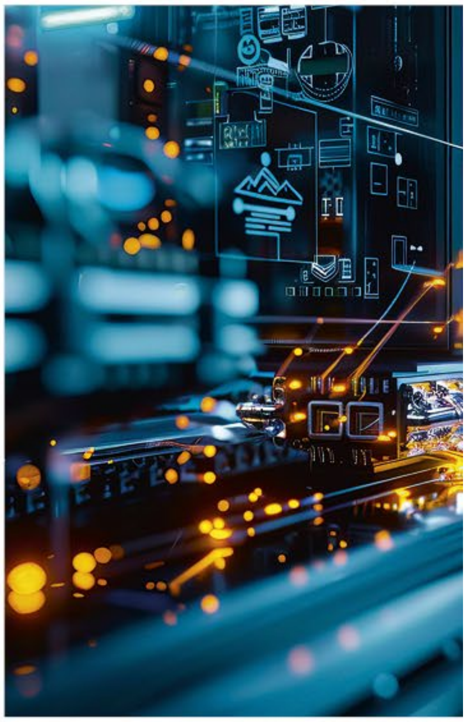
Data is the new gold – but only when it is recorded, managed and made accessible in a structured manner.

With **Enterprise Information Management (EIM)**, CENIT ensures that all relevant information is managed efficiently throughout the entire product lifecycle. Companies benefit from complete transparency of their business processes and can respond more swiftly to market changes.

Application Management Services (AMS) – Securing lasting efficiency

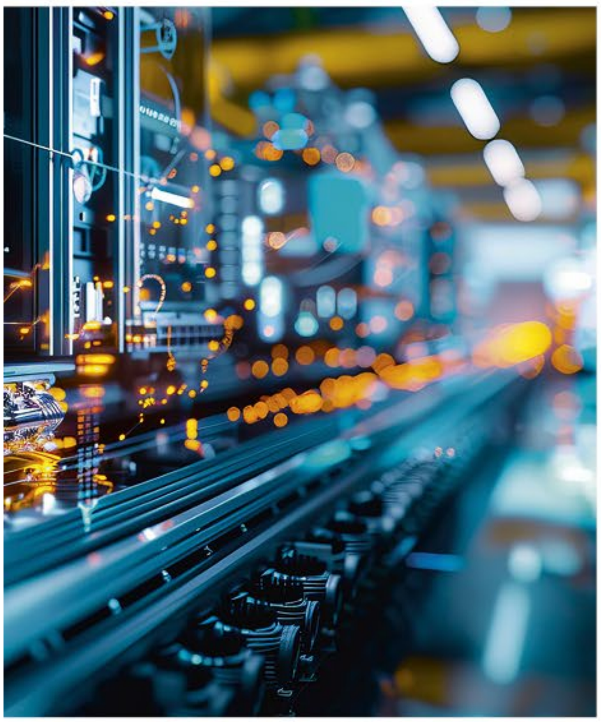
Digitalization does not end with the implementation of a solution. In fact, it is continuous maintenance and optimization that guarantees long-term success.

CENIT offers **Application Management Services (AMS)** that help companies make the best use of their IT investments. Regular updates, performance optimization and a professional support team ensure a reliable system landscape and relieve the burden on internal IT departments.



CENIT AS A PARTNER

FOR SEAMLESS END-TO-END PROCESSES



Through the combination of these competencies, CENIT creates seamless digital process and data continuity – from the initial design idea to the finished product and beyond. As one of the few international companies with a holistic portfolio for end-to-end digitalization, CENIT lets companies maximize their efficiency, raise their innovative power and hold their own in the long term in a challenging market environment.

Customer project

DIGITALLY CONNECTED PROCESSES FOR SUSTAINABLE AUTOMOBILE CONSTRUCTION

A leading manufacturer of luxury vehicles with a clear vision: to become carbon-neutral by 2039. The company is pursuing a three-pronged strategic approach of growth, profitability and sustainability for its transformation project. It intends to use corporate agility and innovative mobility concepts to shape the future of the industry. In doing so, the OEM is setting new standards as a pioneer for sustainable and responsible business.

Project objective

The automobile manufacturer is driving forward the digital transformation of processes from product development to manufacturing. Integrating the 3DEXPERIENCE platform and SAP promises to make the exchange of data between the two platforms more efficient, more transparent and more versatile.

Result and benefit

The automobile manufacturer in the luxury segment is benefiting from a digitally connected process chain that reduces complexity, minimizes errors and safeguards competitiveness in the long term.

The OEM can now transfer a complete product structure from the 3DEXPERIENCE platform to the SAP systems digitally.

An important milestone for this project is the seamless transfer of complex vehicle parts lists into the SAP system, including synchronized change management for trouble-free manufacturing processes.

MODULAR CONSTRUCTION WITH A DIGITAL PROCESS CHAIN – ECONOMICAL AND RESOURCE-SAVING

ALHO Systembau is a specialist for modular construction with more than 50 years of experience. The family-led German company with more than 1,300 employees in Europe manufactures residential, commercial and health sector buildings. The individual building modules are manufactured in production halls and assembled on site. Clients benefit from short construction times and a resource-saving construction method. ALHO is now taking the next step, which is to progress the success of modular building even further through entirely digitalized value added.

Project objective

The system assembly specialist uses Building Information Modeling (BIM), an integrated digital construction process method that covers the entire lifecycle of a building. ALHO is using the 3DEXPERIENCE platform to control digital processes efficiently and collaboratively. The connection to the ERP system allows for a seamless flow of data and processes independent of use.

Result and benefit

ALHO can speed up the planning and manufacturing processes considerably and increase its competitiveness. End-to-end digitalized business processes facilitate seamless coordination of the design, production and assembly phases. This reduces errors and minimizes materials losses. At the same time, automation and smart manufacturing processes raise efficiency: Production times are shortened, costs are reduced and the quality remains consistently high.

Customer project

DIGITALIZED VALUE
ADDED FOR AIRCRAFT CONSTRUCTION

Our customer is a leading systems supplier for aircraft system and cabin solutions. The company employs more than 4,400 people. Its reputation speaks for itself, as its clients include all of the reputable manufacturers of passenger and corporate aircraft.

Project objective

The company invests continuously in refining its technologies and processes in order to produce services and products more efficiently and more sustainably. The central component of the value added chain is the Design to Operate process, i.e. development – manufacturing – service. This process is to be digitalized in full in the medium term.

Result and benefit

We are the strategic partner for the digitalized value added chain project for Design to Operate. The CENIT team will connect all relevant data, information and processes. This will achieve maximum automation of the processes and procedures.

Customer project

EFFICIENT PRODUCTION PLANNING
FOR A VARIED PORTFOLIO

A French provider of drawn steel wire with a 120-year history is setting its course for the future.

Project objective

Complex production planning meant that the company faced a central challenge. With 2,000 specialized wire products for the automotive industry, food processing, wire reinforcement, office technology, global infrastructure and health protection, the company needed to structure its manufacturing control more efficiently.

Result and benefit

More efficiency, faster response times and optimum protection from errors increase competitiveness. The software DELMIA Ortems was linked to SAP for this purpose. The company's production planners benefit from precise data and high process reliability.

Customer project

AUTOMOTIVE SUPPLIER STRENGTHENS
COMPETITIVE POSITION WITH ECO DESIGN

TAJCO is a sought-after partner to automobile manufacturers for premium exterior trim solutions. The focus is on developing, designing and manufacturing best-in-class chrome-plated and coated exhaust trims that enhance vehicle design. The company stands for stylish and long-lasting solutions based on innovative power, precise craftsmanship and sustainability. The aim is to expand on these strengths.

Project objective

As a supplier to the automotive industry, TAJCO is required to document information on the carbon footprint of its solutions and to make this data available. This is because the OEMs have set ambitious sustainability goals and have to fulfill their reporting duties in line with regulatory requirements.

Result and benefit

TAJCO uses the 3DEXPERIENCE platform on cloud, which allows it to record precisely the carbon footprint of its products with the eco design solution from Dassault Systèmes. This enables transparent reporting and increases the trust of the OEMs in TAJCO as a future-oriented supplier.

The automotive supplier also benefits economically from the eco design strategy – with optimized risk management, lower development costs and more possibilities for innovation.

MANAGEMENT REPORT

Combined (group) management report for the fiscal year 2024

The **management report** of CENIT Aktiengesellschaft (hereinafter also "CENIT") and the **group management report** of the CENIT Group for the fiscal year 2024 were combined below. The declaration on corporate governance is also part of the combined (group) management report. The consolidated financial statements prepared by CENIT as of 31 December 2024 comply with the International Financial Reporting Standards (IFRSs) applicable as of the reporting date as well as the supplementary provisions of the German commercial code (HGB) in conjunction with the German Accounting Standards (GAS).

1. Fundamental information about the Group

1.1. Organization and group structure

CENIT AG is headquartered in Germany (Stuttgart) and represented in the industrial centers there, including Berlin, Hamburg, Hanover, Munich and Frankfurt. CENIT has expanded its presence in Europe through acquiring the KEONYS Group in 2017. Through KEONYS, CENIT has since then also been represented in the Netherlands and Belgium as well as in France with its own local companies. CENIT has further locations in the US, Switzerland, Romania and China.

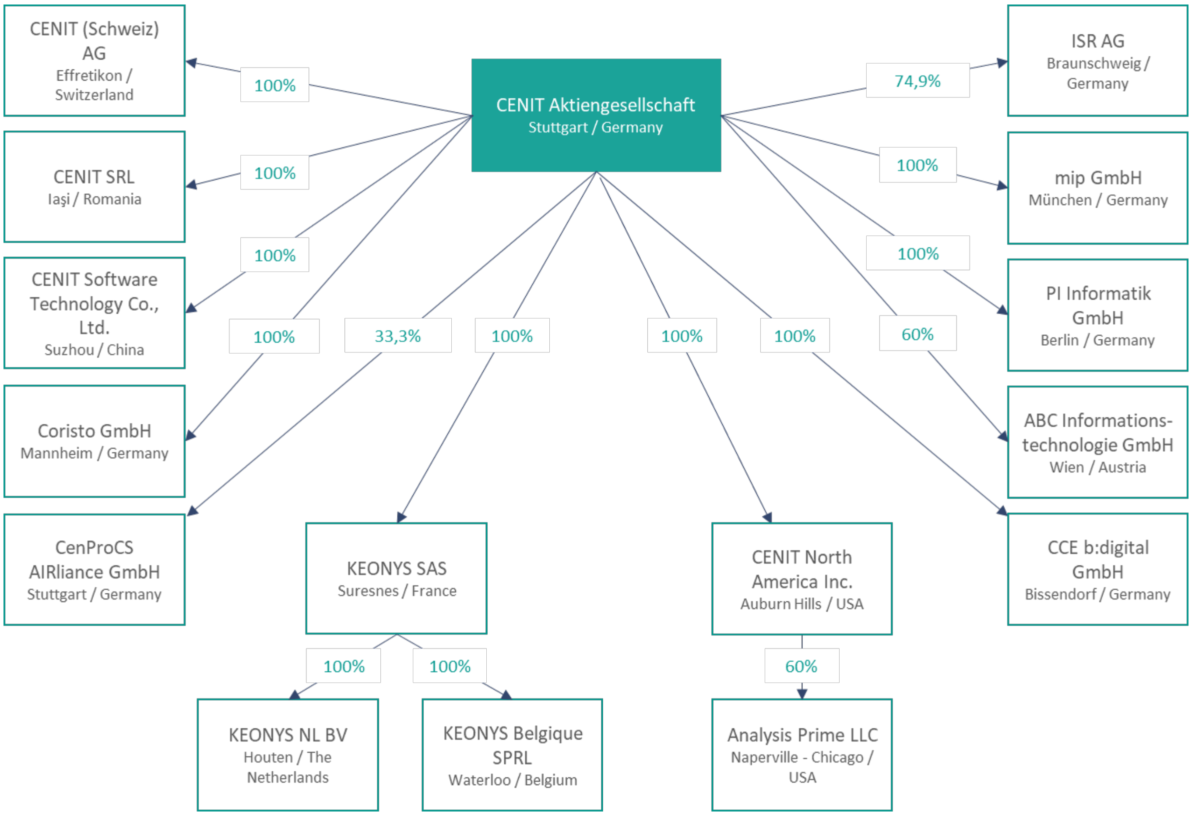
By purchase agreement dated 3 January 2024, CCE b:digital GmbH, a wholly owned subsidiary of CENIT AG, acquired 100% of the limited partner shares in CCE b:digital GmbH & Co. KG. The general partner left the partnership at the same time, resulting in a merger by accrual of the assets of CCE b:digital GmbH & Co. KG into CCE b:digital GmbH. CCE, with its head office in Bissendorf, has positioned itself as an expert provider of digital solutions and services for engineering and manufacturing, with a particular focus on the Dassault Systèmes portfolio. The acquisition of CCE b:digital GmbH & Co. KG allows CENIT to grow its market share as a specialist for innovative 3DEXPERIENCE solutions in Germany further and enhances its position as one of the world's leading strategic Platinum Partners to Dassault Systèmes.

In July 2024, CENIT AG indirectly acquired 60% of the shares in the US company Analysis Prime LLC ("Analysis Prime"). The acquisition of Analysis Prime means that CENIT now has a world-leading SAP Planning and Analytics Partner. The takeover allows the CENIT Group with its international operations to diversify its SAP business and significantly boosts its SAP Analytics Cloud (SAC) expertise.

In November 2024, CENIT France SARL was merged into Keonys SAS with retroactive effect as of 1 January 2024.

The domestic and foreign companies included in the consolidated financial statements are consolidated in accordance with the uniform accounting and valuation methods in the CENIT Group. The companies use the same accounting and valuation methods as the parent. Like the parent, the subsidiaries are specialized in the sale and integration of software and IT services in the segments **Product Lifecycle Management** ("PLM") and **Enterprise Information Management** ("EIM"). In addition, CENIT holds one third of the joint venture CenProCS AIRliance GmbH. The joint venture provides services and consulting for a shared major customer in the PLM segment.

The **company-law organizational chart** for the CENIT Group is as follows as of the reporting date:



The **basis of consolidation** has grown compared with the prior year on account of the acquisition of Analysis Prime. Because of the merger of CENIT France SARL into KEONYS SAS, CENIT France SARL was removed from the basis of consolidation.

CENIT AG's **Management Board** comprised the following members as of 31 December 2024:

- Peter Schneck, CEO and Chair of the Management Board
- Axel Otto, CFO

CENIT AG's **Supervisory Board** comprised the following members as of 31 December 2024:

- Rainer Koppitz, Chair of the Supervisory Board
- Regina Weinmann, Deputy Chair of the Supervisory Board
- Laura Schmidt, Employee Representative on the Supervisory Board

1.2 Business activities

CENIT has five business divisions, subsumed under the segments **PLM** and **EIM**. The PLM segment comprises 3DS Solutions, SAP PLM, Digital Business Services and Digital Factory Solutions. The PLM division is focused on using Dassault Systèmes software on PLM platforms and applications in the traditional manufacturing industry and optimizes key production processes such as product development, production or change management, also using additional dedicated CENIT software solutions. Unlike pure software resellers, CENIT is a value added integrator that offers its customers considerable added value. By contrast, the EIM division is focused on processes relating to 360 degree customer communication, processing, file and document management primarily in the insurance and financial services sectors. By acquiring the shareholding in ISR in 2022, CENIT has also gained a foothold in retail as well as in the public sector.

CENIT is the **specialist for the core processes of its customers**, focusing on the manufacturing industry and the financial services industry. The consultancy, service and software offering of the CENIT Group is based on standard products by its software partners as well as CENIT's own solutions based on those standard products. Leading software providers such as Dassault Systèmes, IBM and SAP are strategic partners to the Company. The employees in the CENIT Group provide the customers with tailored industry support in the planning, implementation and optimization of their business and IT processes.

To allow the customers to concentrate on their core competences, the CENIT Group also **manages the applications (AMS)** and the related **IT infrastructures**.

1.3 Markets

CENIT breaks down its **sales markets** into the regions of Germany, Rest of Europe ("RoE") and Rest of World ("RoW"). In the fiscal year, the largest sales market was Germany, followed by RoE (with a focus on France) and RoW.

1.4 Objectives and strategies

CENIT's vision and mission revolve around digitalization because it is vital for CENIT. This vision is reflected in the company name: "**CEN**ter for **IT** and Digitalization". CENIT's purpose is to empower our customers as well as ourselves to facilitate sustainable digitalization.

Our vision is to be a champion for process digitalization in the areas of document processes and production processes. CENIT endeavors to be a trusted advisor to our customers. The mission describes the day-to-day activities in the fields of consulting, integration services, optimization using third-party or proprietary software solutions and the management of digital processes for our customers.

CENIT's strategy is geared to sustainable profitable growth. For this reason, CENIT's objectives focus just as much on the employees and technology partnerships as on efforts to give the customers a competitive edge with CENIT's own solutions.

The CENIT 2025 Strategy is based on the following **five strategic pillars, which correspond to the respective business divisions**:

(1) CENIT will be the leading integrator for business processes on the platforms of Dassault Systèmes and SAP. It will use its own proprietary software applications to expand these areas in order to reduce its dependency on the editors.

(2) In the area of Digital Factory Solutions (DFS), CENIT will be a leading provider for the communication of robotics solutions on CENIT's own robotics platform.

(3) In the area of Enterprise Information Management (EIM), CENIT will build on its partnership with IBM and become Europe's 'document hero' with its own AI-based solution.

(4) CENIT will use Digital Business Solutions (DBS) to provide specific IT services – Application Managed Services (AMS) – to increase customer retention.

(5) CENIT will be an attractive employer with multicultural and enthusiastic employees.

Implementation of the aforementioned core points of the CENIT 2025 Strategy is to be achieved with the help of organic growth at business division level on the one hand and significant acquisitions on the other. The growth target for 2025 was to achieve sales of approximately EUR 300 million with an EBIT margin of between 8% and 10%. We wish to point out here that we are unlikely to achieve this sales target for the fiscal year 2025. For further details, we refer to the report on expected developments.

The plan for inorganic growth is based on two to three acquisitions annually so as to prevent any watering down of CENIT's corporate culture. This growth will be financed using cash and external financing instruments. Any capital increases are earmarked for specific acquisitions if the acquisition amount exceeds EUR 50.0 million. No further acquisitions are currently planned for the fiscal year 2025.

We expect organic growth of at least 5% p.a. for all of our business divisions. As digitalization is running according to plan for all of the companies in our regional focus, market potential lies beyond that target of 5%. Although we will likely not achieve the sales and profitability targets set out in the 2025 Strategy, due primarily to the temporary halting of our buy-and-build strategy, we consider CENIT to be on solid footing. CENIT's advancing diversification as well as key topics such as sustainability, cross-selling, strengthening partnerships and developing an end-to-end approach for resolving digitalization challenges play a significant role here. The Management Board is currently working on the 2030 Strategy. Because of the challenging market environment and current geopolitical and economic developments, the strategy has not been signed off yet.

1.5 Internal management system

The Management Board of CENIT is responsible for the **overall planning** and for realization of the long-term objectives of the Group. The uppermost goal of corporate development is to raise the business value on a long-term basis by means of profitable growth. The planning required to manage both segments, PLM and EIM, as well as the resulting measures are derived from the long-term corporate planning, taking into account the developments in the competitive and market environment.

The **annual planning process** is carried out using top-down and bottom-up methods, with planning initially done independently by the Management Board (top down) and by the respective managers responsible for the business units (bottom up). Revenue and EBIT are the key performance indicators for the respective assessments. At joint planning rounds, these assessments are discussed, tested for plausibility, consolidated and presented as final by the Management Board to the Supervisory Board for approval. The current five-year plan is examined and updated at regular intervals.

During the year, the **business management** of the CENIT Group is carried out with the help of a monthly variance analysis at the level of the separate financial statements and consolidated financial statements as well as a quarterly forecast. As part of this process, the Management Board analyzes the business development of the segments regularly in order to make necessary adjustments on a timely basis. Up to now, the key performance indicators were sales and EBIT. Based on the current M&A strategy and the related effects on the income statement, EBITA (EBIT before PPA amortization) will be included as an additional key performance indicator going forward. However, some financial ratios that are critical to success are not quantifiable or can only be quantified indirectly. These include factors such as the reputation of the brand, customer satisfaction and employee qualifications.

Alongside financial performance indicators, non-financial performance indicators are also gaining in significance. A key component of the non-financial performance indicators is ESG/CSR. The next steps as part of CENIT's ESG/CSR strategy to expand the sustainability report in accordance with the ESRS, including reporting within the framework of the EU taxonomy, have been implemented successfully. Further measures such as developing a sustainable code of conduct for suppliers, training employees in compliance and integrating the sustainable development goals are under way.

Because of the ongoing exceptional societal and economic situation, it is more necessary than ever to think and work in scenarios as part of the internal management system. For CENIT's **internal management and planning process** specifically, this means weighing up opportunities and risks as sensitively as possible. In a best-case scenario, it means making investments and assisting growth. In more difficult situations, it also involves exercising cost discipline and thus actively managing margins. In this context, **liquidity planning** that is appropriate for the Group's size has already played a key role in managing liquidity risks for a long time.

1.6 Research and development

An ongoing objective is to **raise the innovative power** of the CENIT Group. The Group had its own research and development expenses (R&D) of EUR 11.2 million in the fiscal year 2024 (prior year: EUR 10.1 million) to this end.

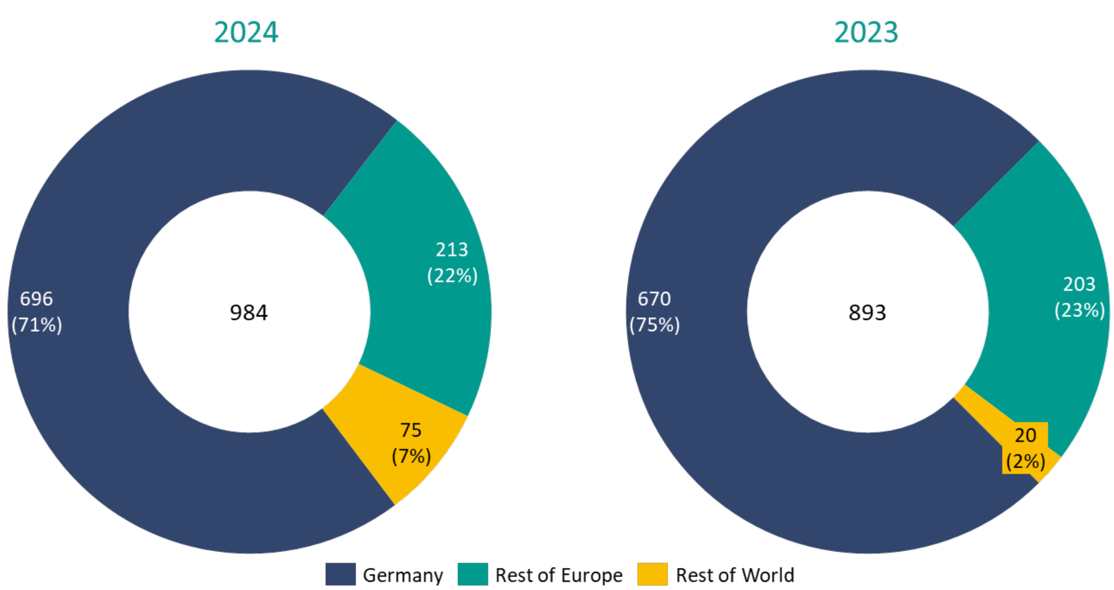
The business units of the CENIT Group focus their R&D efforts on the next generation of their products and solutions and prepare for their successful market launch. Close cooperation with the product and client-facing areas allows the CENIT Group to offer customized solutions. In addition to selling standard software from third-party providers, the CENIT Group develops its own programs to supplement and extend these solutions in a way that adds value. Its software expertise and decades of industry experience allow the CENIT Group to optimize the productivity and data quality of its customers with its own CENIT solutions.

Because innovation also means progress, research and development are of central importance for the further achievement of the **corporate objectives**. This allows the CENIT Group to enhance its market position at the same time. For this reason, the Management Board plans to retain development expenses at this level.

1.7 Employees

a) Overview

On 31 December 2024, the Group had 984 employees (prior year: 893). CENIT AG had 375 employees on the same date (prior year: 386). The main reason for the repeated year-on-year increase in the Group was the acquisition of Analysis Prime.



There were scarcely any year-on-year changes in terms of the **global distribution** of employees. Almost three quarters of all employees in the CENIT Group are currently employed in Germany.

The following table shows the headcounts for the individual **group companies**:

Entity	31 December 2024	31 December 2023
CENIT AG Stuttgart, Germany	375	386
KEONYS SAS Suresnes, France	112	93
CENIT SRL Iasi, Romania	51	49
CENIT North America Inc. Auburn Hills, USA	12	16
CENIT France SARL Toulouse, France	0	17
CENIT (Schweiz) AG Effretikon, Switzerland	15	14
Coristo GmbH Mannheim, Germany	10	10
KEONYS Belgique SPRL Waterloo, Belgium	9	8
KEONYS NL BV Houten, Netherlands	7	6
CENIT Software Technology Co., Ltd. Suzhou, China	4	4
ISR AG Braunschweig, Germany	248	231
mip GmbH Munich, Germany	18	16
PI Informatik GmbH Berlin, Germany	30	27
ABC Informationstechnologie GmbH Vienna, Austria	19	16
CCE b:digital GmbH Bissendorf, Germany	15	-
Analysis Prime LLC Naperville, USA	59	-
Total	**984**	**893**

Personnel expenses in the reporting period came to EUR 88.0 million in the CENIT Group (prior year: EUR 78.6 million) and to EUR 33.7 million at CENIT AG (prior year: EUR 35.8 million). At group level, personnel expenses rose mainly on the back of the acquisition, but also due to salary increases.

b.) Personnel policy (unaudited)

We continue to dedicate ourselves to our objective “We are an attractive employer”. Our dedicated employees make a key contribution to the Company’s success, which is why we consistently put them at the heart of our HR strategy.

The continued education of our staff continued to be a key element in that strategy in 2024. As part of our CENIT Campus training program, we offer a range of different further training seminars, both for professional development and for personal development with the help of core skills in order to tackle the day-to-day challenges even better.

Personal development program

We provide various development programs for the personal development of our staff. In 2024, we implemented the Professional Development and Organizational Growth program. The program offers varied development trajectories for all employees, including paths outside of leadership. The program has a clear framework and a fixed budget to create maximum transparency and clarity for all career paths.

Leadership vision

An important component for the personal development of our leaders is our leadership vision – "Role of the Leader". In order to provide leaders with a clear role description and expectations linked to the role, we introduced our revised leadership vision in 2024. Among other things, this includes annual training sessions to give our leaders optimum support in their role and prepare them for challenges of the role.

We believe that the leaders play a key part in supporting and motivating our staff. This is why we carried out a Hogan Assessment for each leader in 2024 in order to encourage self-reflection and show possible areas for action. This assessment provides insights into a person's leadership competency, their individual challenges and key motivations. It shows their strengths as well as areas for potential growth. We consider the Hogan Assessment to be a key tool for selecting and mentoring our leaders.

Talent program

We stepped up our support to our young potentials and junior executives once again in 2024. Under the motto "global connections, mutual strength", 27 dedicated and highly qualified employees successfully completed the talent program in 2024. Alongside our GSA Talents program, we were also able to successfully launch an international program and an Executive Talents program.

Personal performance review

PZG@CENIT, the employee appraisals system, was a major component of employee motivation and further development again in 2024. Personal development and recognizing one's own contribution to the overall success of the Group are the core components of the personal performance review.

Corporate diversity

We believe that the diversity present in the Company increases diversity of opinion and innovative power, thus safeguarding our competitive edge in the long term. This is why we signed the 'Charta der Vielfalt', the German Diversity Charter, in 2023. The Charta der Vielfalt is a corporate initiative to promote diversity in companies and institutions.

Based on our values and principles, we took a closer look at the different aspects of diversity in 2024. We drew up Diversity Guidelines that set out our understanding of what it means to embrace diversity in the Company and that guide our actions.

Part of this involved introducing diversity roundtable discussions. This format provides a forum for exchanging experiences and best practice. We want to facilitate an open discussion and involvement and, where possible, develop specific measures to promote a diverse working world. In 2024, roundtable discussions took place on the topics "Professional and life phases" and "Women @CENIT - Breaking Gender Barriers"

We also took part in 'Diversity Day 2024', the annual Charta der Vielfalt event. As part of that event, we developed an internal diversity profile containing several questions. Our three main goals as part of our campaign were to strengthen cohesion within the team, connect people internally and encourage pride in diversity. Together we showed just how diverse CENIT is. Each and every one of us brings our own unique perspective, which enhances our company and makes it successful. At the same time, we want to raise awareness of the different aspects of diversity.

Social responsibility

With aid projects as part of our CENIT Cares initiative, we take corporate social responsibility. CENIT CARES was initiated in 2013 and has been supporting aid projects in Germany and abroad ever since. The focus is on projects to help people in need with whom our employees have a personal connection and where our staff make an active contribution themselves. We expressly support the community involvement of our staff through donations and special vacation days. In 2024, we supported a total of seven community projects in Germany, France and Uganda.

Employee survey

Our principles include open communication and continuous feedback from our employees regarding the current work situation, the CENIT strategy and our processes. We carried out our global employee survey ("YOUR FEEDBACK") once again in 2024 in order to gain insights into the needs and opinions of our workforce. This survey is completely anonymous and is well received by our employees, as reflected in the high participation rate of almost 80%. The large number of participants is proof of our employees' dedication and shows that feedback and communication are actively embraced within the Company. The results of the survey form the basis for implementing targeted measures to improve working conditions and our corporate culture. The survey was conducted in Germany, Switzerland, Romania, the US, France and at our subsidiary Keonys in France, Belgium and the Netherlands.

Benefits

As a further benefit for our employees and a sign of our appreciation, we introduced the Edenred City Card in 2024. Every month, our employees get a top-up of EUR 25 on the CENIT-branded pre-paid card. The staff can use the Edenred City Card to pay at a large range of retailers, fuel stations or restaurants.

Talent acquisition

Our HR strategy in 2024 pursued the objective of the continuous growth and promotion of the success of our company and of the entire corporate group. Consequently, one of our priorities was to continue to focus on recruiting highly skilled talented employees.

We participated in several recruitment events in 2024, which took place online or as in-person events such as trade fairs. Other innovative approaches to recruit talented staff were honed and established. These include the use of online platforms, which has enabled us to carry out parts or all of the recruitment process virtually. This approach meets the needs of the younger generation in particular, improving the application experience for our candidates, while also reducing the administrative workload and making the recruitment processes faster.

Social media platforms such as XING and LinkedIn were important recruitment tools once again in 2024 to raise our profile and approach potential candidates. Our recruitment efforts were also aided by a now established tool that automatically sends job adverts to various online channels. Furthermore, we worked on continuously strengthening our long-standing collaboration with Germany's Federal Labor Office.

Six new colleagues joined the Company in 2024 through our internal program incentivizing employees to refer new staff. We are always working on optimizing our touchpoints, including our presence on national and international employer portals. To raise and copperfasten our professionalism in the recruitment process, we have made additional training available to our leaders, where they learn about respectful discourse as well as the latest information and trends.

Apprenticeships and studies

Vocational training was still an important and strategic investment area for the Group in 2024. We see it as our social responsibility to help young people start their professional career and accompany them on their journey, and we are happy to fulfill this responsibility. We attended several events and trade fairs where we presented our apprenticeship professions and dual study programs to attract new talent and dedicated young employees.

Remuneration system – profit sharing (unaudited)

Apart from performance-based career progression opportunities and the chance to take on responsibility at an early stage, CENIT offers its employees an **attractive remuneration policy** that is regularly reviewed and adjusted in line with market conditions. Remuneration comprises a fixed salary, which is governed by individual employment agreements, and remuneration components in amounts based on the operating result and on other quantitative and qualitative targets.

2 Report on economic position

2.1. Macroeconomic environment

a) General

Global economic development remained stable in 2024 despite numerous challenges. While Germany and other European countries struggled with weak economies, the global economy recorded growth of 3.2% according to the International Monetary Fund (IMF). It was the BRICS countries first and foremost that contributed to this positive development. India grew at an impressive rate of 6.5%, making it one of the fastest-growing major national economies. It was followed by China with growth of 4.8% and Russia with growth of 3.8%.

The US economy also proved surprisingly robust, with growth of 2.5%. This development was primarily fueled by strong private consumer spending, which accounted for more than two thirds of economic output. Rising exports as well as higher private-sector and state spending also played a role in the positive development. Economic growth in the eurozone came to 0.8%. Falling inflation helped purchasing power to recover, while investments and consumer spending remained modest.

b) Europe

Economic recovery in the eurozone remained sluggish in 2024. After a period of stagnation, the economy returned to just moderate growth. The gross domestic product of the euro currency zone rose by 0.8%, thus improving marginally on the prior year. Growth nevertheless fell short of original forecasts.

Economic experts agree that in particular the modest levels of consumer demand, low levels of investment in many member states as well as ongoing geopolitical uncertainty – first and foremost in Ukraine and in the Middle East – are responsible for this development.

Inflation continued to wane in the eurozone but still remained above the European Central Bank's target figure. Average inflation stood at 2.5% for 2024, stifling purchasing power and delaying any lasting economic recovery.

c) Germany

In 2024, the Germany economy contracted for the second year in a row. Gross domestic product (GDP) dropped by 0.2%, having already fallen by 0.3% in the prior year. There were several factors that contributed to this negative development. Elevated energy costs and a higher interest level burdened companies and consumers alike. The expected rebound in private consumption following on from an increase in real wages did not eventuate, as it was not possible to compensate in full for purchasing power losses in prior years. Additionally, uncertainties on the labor market meant that consumers continued to hoard savings. The construction industry likewise experienced a long-term lull in demand. High financing and materials costs meant that many potential developers were unable to implement construction projects as planned. Weak demand from China constituted a further obstacle for the export business of German firms. Political uncertainties, including the ongoing war in Ukraine, budgetary challenges for the German government as well as instability within the coalition government also hampered economic growth. One positive aspect was the sharp decline in the inflation rate. At 5.9% in 2023, it had fallen to an average of 2.2% by 2024. This could help stabilize purchasing power and prompt moderate economic recovery in the medium term. The German labor market continues to be extremely robust. According to Germany's Federal Labor Office, the number of people in employment rose by 72,000 in 2024. Employment is at record levels in Germany despite the recent weak economic development. Roughly 46.1 million people were in employment in Germany on average in 2024. However, the unemployment rate climbed by 0.3 percentage points to 6.0% in a year-on-year comparison. 2,787,000 people were registered as unemployed in Germany on average in 2024. The global financial markets, too, experienced a mainly positive development. For example, the DAX closed what was once again one of its most successful years on the

German stock market up 18.9% at 19,909.14 points as of 30 December 2024. The Dow Jones also closed the year with a positive result, up roughly 13% to 42,544.22 points. Many small and mid-caps in Germany closed the year 2024 with a below-average performance on account of the economy. This is also true of the CENIT AG share, which closed out the year at a price of EUR 7.25 EUR having started 2024 at EUR 12.00.

2.2 Sector-specific environment

Germany is heading into the third recessionary year in a row, but the digital economy remains firmly on a growth trajectory. The sector proved extraordinarily stable again in the past fiscal year, developing better than the economy as a whole.

For example, ITC (information technology and communication) sales increased by 3.3% to EUR 222.6 billion in Germany in 2024. The labor market in the digital sector also continued to develop positively, with 9,000 additional jobs created in Germany in 2024 according to Bitkom (an increase of 0.7%). This means that somewhere in the region of 1.35 million people in total were employed in the ITC industry.

2.3 Overall course of business

Economic framework conditions remained difficult for our customers in 2024. This is due in part to ongoing geopolitical conflicts and tensions and in part to the economic development of Germany as a location for business. Nevertheless, 2024 was a positive year for the CENIT Group despite many challenges. Sales rose organically, i.e. excluding CCE and Analysis Prime, by a sturdy 5.2% in this difficult environment.

The acquisitions made in 2024 not only enhance the Group's position in the GSA region but also lay the foundations for a stable economic base in North America.

The acquisition costs and the related effects on the capital structure and on liquidity are countered with corresponding liquidity planning.

Despite the difficult market conditions described, consolidated sales improved considerably from EUR 184.7 million in the prior year to EUR 207.3 million (up EUR 22.6 million or 12.2%). In our report on expected developments for 2024, we had forecast sales of between EUR 195.0 million and EUR 202.0 million. However, this forecast was only made for the consolidated sales of the entities included in the basis of consolidation of CENIT AG as of 31 December 2023. Those entities recorded sales of EUR 194.4 million, which is thus at the lower end of our forecast range. We did not include the share of sales of newly added entities (Analysis Prime and CCE: Digital) in the forecast.

Despite ongoing geopolitical uncertainty, sales with software licenses rose by EUR 12.4 million to EUR 121.9 million year on year (EUR 109.5 million). Sales from services likewise increased sharply, up 14.7%.

Operating expenses rose accordingly due to the acquisitions made at group level. It should be noted that the incidental acquisition costs are much higher in the US than in Germany. Operating expenses in 'Core CENIT', i.e. adjusted for the acquisitions since 2022, have remained stable year on year.

Other operating income was affected in 2024 by research grants received and by positive currency effects from a loan to finance the acquisitions. Other operating income came to roughly EUR 2.5 million in 2024 (prior year: EUR 2.9 million).

Against this backdrop, consolidated EBIT fell from EUR 9.2 million in the prior year to EUR 7.4 million in the reporting period. We had forecast a figure of between EUR 11.7 million and EUR 12.2 million for the fiscal year 2024. Similarly to the comments on revenue, this forecast was made only for those entities that were part of the basis of consolidation of CENIT AG as of 31 December 2023. Those entities recorded EBIT of EUR 8.0 million for the fiscal year, which is EUR 4.7 million less than the lower end of the range forecast. This variance from the forecast is due in the main to the lower revenue as explained above as well as the high acquisition costs in the US in particular.

In terms of CENIT's two segments, the picture compared to the prior year and to the budget is as follows:

The **PLM segment** with customers in some of the industries impacted by the weak economy (including automotive, plant and mechanical engineering) noted a sharp rise in year-on-year sales of EUR 20.7 million (up 14.3%) to EUR 165.0 million (prior year: EUR 144.3 million) and thus exceeded the plan (EUR 155.0 million). This is partly due to the acquisitions.

At EUR 2.0 million, recognized EBIT was below the prior-year level (EUR 5.4 million) and below the budgeted level (EUR 6.5 million). This was attributable among other things to non-recurring effects from the acquisition activities.

Sales in the **EIM segment** rose by EUR 1.9 million (up 4.7%) on the prior year. Sales in 2024 (EUR 42.3 million) fell short of the plan (EUR 44.0 million). Segment EBIT came to EUR 3.9 million (prior year: EUR 3.7 million), falling short of the planned figure of EUR 5.5 million.

Earnings per share (EPS) was down to EUR -0.23 per share compared to EUR 0.54 per share in the prior year.

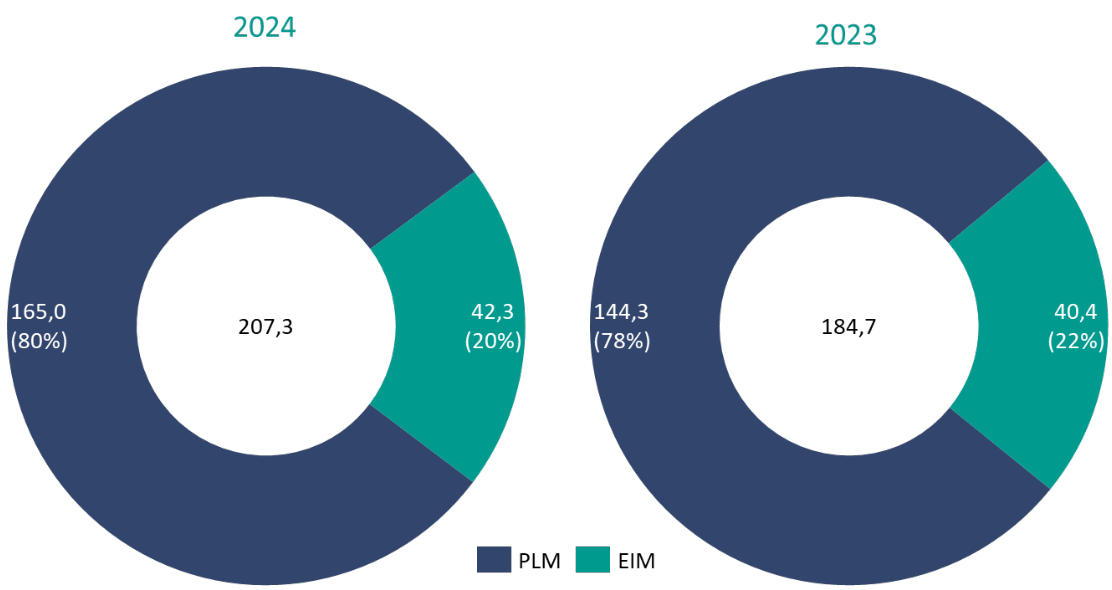
The planned sales target for **CENIT AG** of EUR 99.0 million for 2024 was not achieved (shortfall of EUR 0.6 million or 0.6%). While sales from the consulting and services business dropped by EUR 2.4 million (down 7.0%) compared to the prior year, software-related sales climbed by EUR 4.3 million or 7.0%. Taking higher expenses (up 3.2%) into account, EBIT fell by EUR 2.7 million to EUR -0.8 million (prior year: EUR 1.9 million; budgeted figure of EUR 1.0 million). Alongside financial performance indicators, non-financial performance indicators are also gaining in significance.

Although the targets set for the fiscal year 2024 and the sales target contained in the 2025 Strategy will not be met, it is fair to say that CENIT AG is continuing on its growth trajectory despite the difficult circumstances. It is important now that the Management Board uses the strategy to adapt the Company's future alignment to the current economic and geopolitical challenges.

3 Assets, liabilities, financial position and performance of the CENIT Group

3.1 Financial performance

Sales of CENIT in the fiscal year 2024 amounted to EUR 207.3 million and were thus up 12.2% on the prior-year figure. Breaking down revenue by segment (PLM and EIM) shows the following picture:

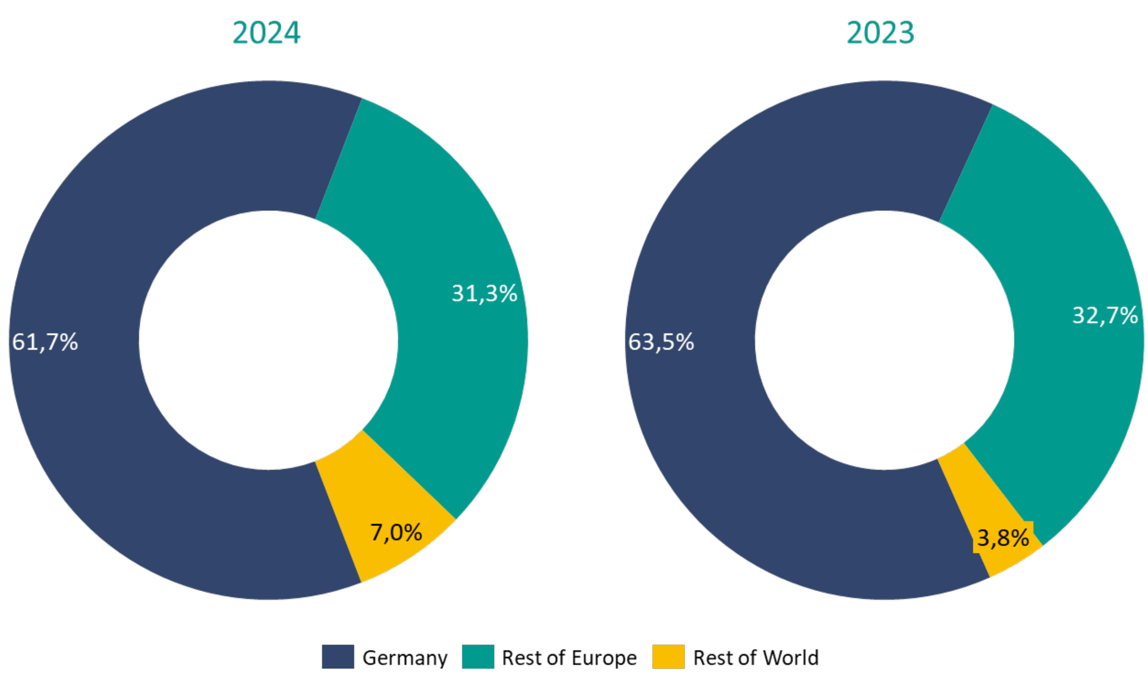


Sales by **product / income type** break down as follows:

Sales by product / income type in EUR k	2024	2023
Third-party software	102,592	92,697
thereof software	7,021	6,429
thereof software leasing	16,795	15,392
thereof software updates	78,776	70,876
CENIT consulting and services	85,338	74,380
CENIT software	19,270	16,788
thereof software	5,357	4,186
thereof software leasing	2,801	1,880
thereof software updates	11,112	10,722
Merchandise	133	855
Total	**207,333**	**184,720**

With a share of 49.5% (prior year: 50.2%) in total sales, the sale of third-party software continues to be the largest component in sales. The further acquisitions allowed for a further rebalancing of the distribution of sales between software and services. As far as the type of sales is concerned, software updates and software leasing for third-party software and proprietary software continue to be a large component in sales, accounting for a share of 67.3% (prior year: 53.5%). This is due to the acquisition of CCE at the beginning of 2024 and strong growth in software updates and software leasing. This means CENIT still has a stable recurring sales base that is now combined with a complementary service offering (up 14.7% on the prior year). The sales mix featuring software and services allows for diversification and better margin control. It also reduces dependency on partner software considerably.

Looking at **sales distribution by region**, it is clear that sales shares have shifted since the prior year, from Germany and Rest of Europe to Rest of World:



61.7% (prior year: 63.5%) of total sales were recorded in Germany, with 31.3% (prior year: 32.7%) recorded in Rest of Europe and 7.0% in Rest of World (prior year: 3.8%). The slight change in sales distribution by region is due principally to M&A activities.

Other operating income came to EUR 2.5 million in the reporting period (prior year: EUR 2.9 million). This is linked to effects from the allocation of research grants as well as currency effects connected to a loan to finance the acquisition of Analysis Prime.

Cost of materials totaled EUR 85.3 million in the reporting year after EUR 77.0 million in the prior year (up 10.8%). This rise is attributable chiefly to a larger sales volume (up 12.2%) and the related product mix effect. This resulted in a ratio of cost of materials to sales of 41.2% in the reporting period after 41.7% in the prior year.

At EUR 88.0 million, **personnel expenses** in 2024 are around 12.0% higher than the prior-year figure of EUR 78.6 million, attributable primarily to the acquisitions made and to salary adjustments. At 42.5%, the ratio of personnel expenses to sales remained at the prior-year level.

Other operating expenses climbed by EUR 3.1 million year on year to EUR 18.5 million. Once again, the main reason for this rise is the inclusion of the acquired companies in the basis of consolidation. Other effects include higher travel expenses, the costs of the IT infrastructure and expenses in connection with the M&A strategy in the form of legal and consulting costs (up EUR 1.5 million).

CENIT thus recorded **EBITDA** (earnings before interest, taxes, depreciation and amortization) of EUR 17.3 million (prior year: EUR 16.4 million). The EBITDA margin slipped from 8.9% in the prior year to 8.3% in the reporting period.

Amortization, depreciation and impairment amounted to EUR 9.9 million (prior year: EUR 7.2 million). This figure included amortization, depreciation and impairment of EUR 4.0 million (prior year: EUR 2.0 million) in connection with the purchase price allocation as part of the acquisition activities.

Accordingly, **EBITA** (EBIT before PPA amortization) came to EUR 11.4 million in the reporting period as compared with EUR 11.2 million in the prior year.

EBIT fell from EUR 9.2 million to EUR 7.4 million in the reporting period. Additionally, the **Group's earnings for the year** of EUR 0.3 million (prior year: EUR 5.0 million) contain a tax expense of EUR 0.9 million (prior year: EUR 1.9 million).

Order intake at CENIT amounted to EUR 230.9 million in the past fiscal year 2024 (prior year: EUR 196.1 million, up 17.7%). The **order backlog** as of 31 December 2024 amounted to EUR 81.1 million (prior year: EUR 57.5 million, up 41.0%).

3.2 Financial position

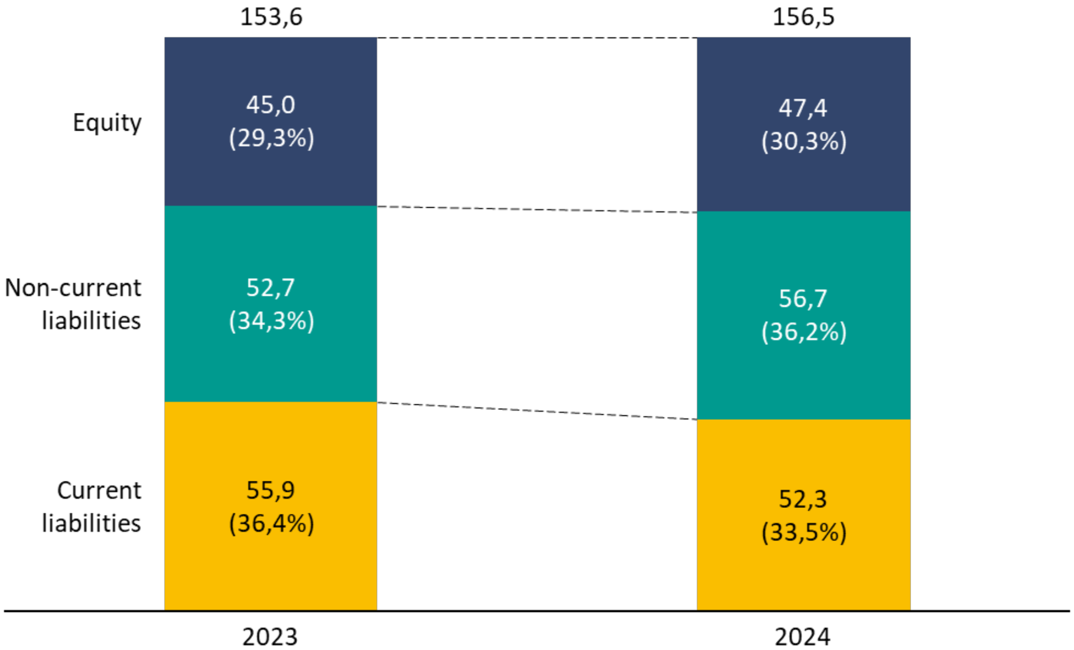
a) Fundamentals and objectives of financial management

The aim of financial management in the CENIT Group is to safeguard **financial stability and flexibility** in connection with the liquidity needed to achieve the strategic goals. The foundations for this are provided by a stable equity base despite the intensive growth strategy. The Management Board endeavors to keep the equity ratio above 25% in spite of the growth strategy. Financing policy and financial management are unchanged compared to prior years. Accordingly, the key components of financial management include liquidity and cash flow analysis as well as the management of liquidity and exchange rate risks as part of foreign exchange management.

b) Capital structure of the Group

Total assets/equity and liabilities in the CENIT Group come to EUR 156.5 million as of the reporting date (prior year: EUR 153.6 million), up just slightly by EUR 2.9 million on the prior year.

In terms of maturity, the Group's **capital structure** breaks down as follows:



The share of **equity** in total capital increased from 29% in the prior year to 31% in the reporting period, corresponding to a rise of EUR 4.3 million (up 9.6%).

Current liabilities fell to EUR 52.3 million as of the end of the reporting period (down EUR 3.6 million or 6.4% on the prior year). This is due in the main to lower trade payables (down EUR 3.3 million) and contract liabilities that are down EUR 1.0 million. By contrast, current lease liabilities increased by EUR 0.6 million compared to the prior year.

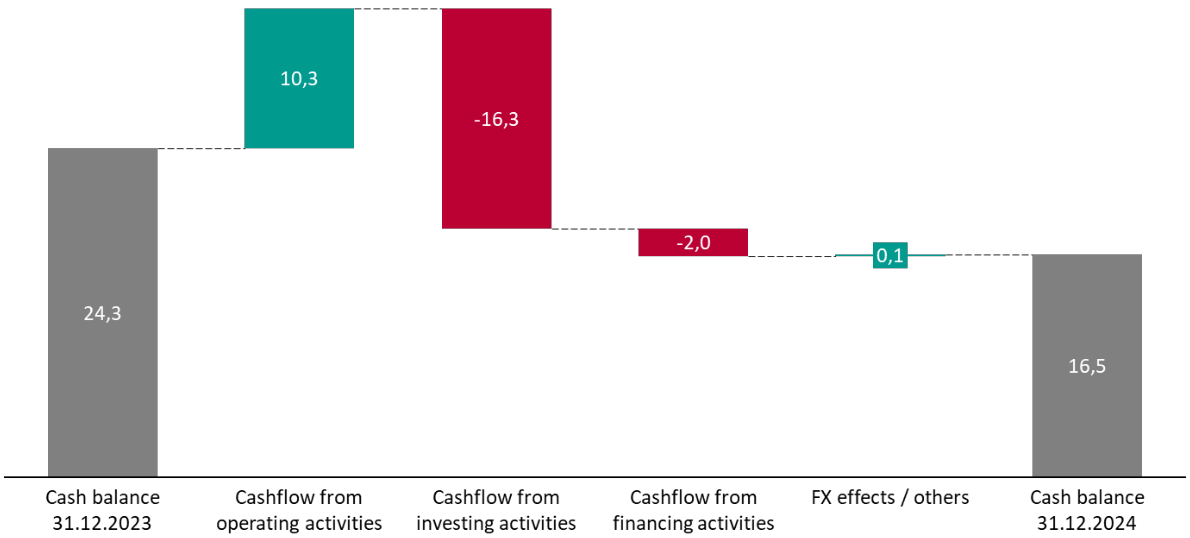
Non-current liabilities rose from EUR 52.7 million in the prior year to EUR 56.7 million in the reporting period (up 7.5%). This is chiefly due to the rise in liabilities to banks (up EUR 1.8 million) and higher deferred tax liabilities (up EUR 2.7 million) in connection with the acquisition of Analysis Prime. Non-current lease liabilities moved in the opposite direction, falling by EUR 1.0 million.

c) Liquidity analysis

The Group's **cash and cash equivalents** dropped to EUR 16.5 million year on year (prior year: EUR 24.3 million). Cash outflow from investing activities of EUR 16.3 million and cash outflow from financing activities of EUR 2.0 million outweighed cash inflow from operating activities of EUR 10.3 million.

Short-term, risk-free availability is the ultimate aim of **investing cash**, in order to be able to access the available cash at very short notice as needed and thus to promote growth. At the same time, this keeps the Group's financial risk profile at a low level.

In detail, **cash and cash equivalents** developed as follows:



Cash flow from operating activities climbed by EUR 5.0 million to EUR 10.3 million year on year. Structural changes in the composition of cash flow from operating activities stemmed primarily from changes in the balance sheet items under working capital. In the main, the change in working capital was caused by the year-on-year decrease in trade receivables of roughly EUR 7.0 million. Higher amortization, depreciation and impairment (up approximately EUR 2.7 million) also had a positive effect. This was countered by lower income of the Group (down EUR 4.7 million) compared to the prior year.

At EUR -16.3 million, negative **cash flow from investing activities** was much higher than in the prior year (EUR -8.2 million) and was once again mainly influenced in the reporting period by the investments as part of the M&A activities.

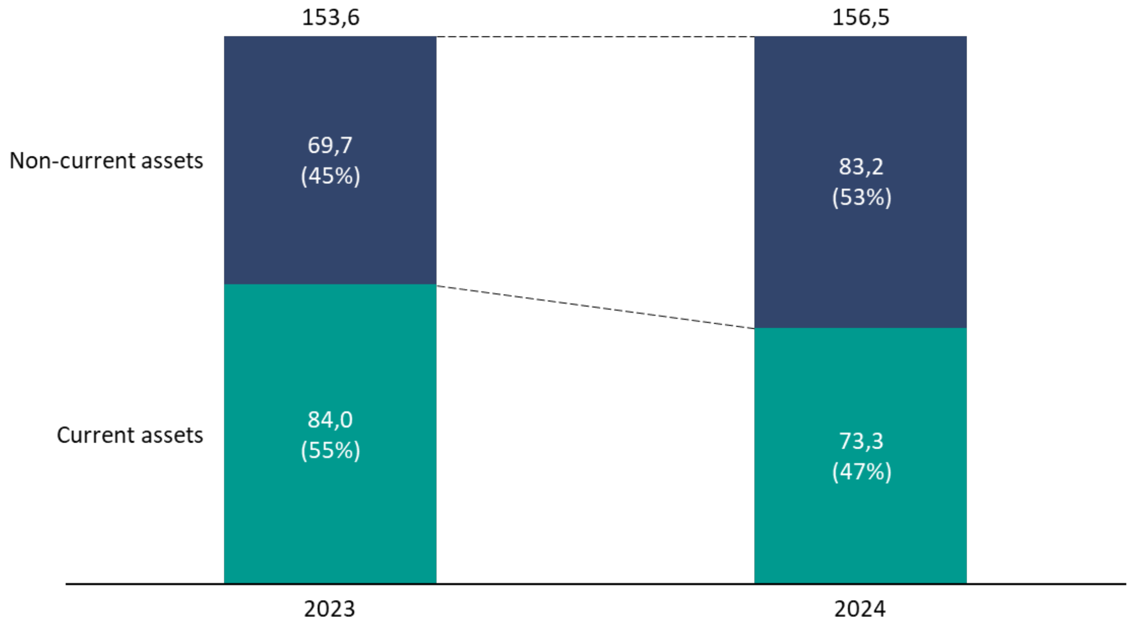
Cash flow from financing activities was negative, at EUR -2.0 million (prior year: EUR 7.2 million). The main reason for the cash flow from financing activities in the reporting period was the continued borrowing from banks (EUR 3.7 million). To improve the financing structure, the Group converted the existing loan into a syndicated loan in the fiscal year and secured further credit lines for future acquisitions. The syndicated loan has a nominal value of EUR 40.0 million as of the end of the reporting period and has an initial term of three years that can be extended twice by a further year each time with the agreement of the bank syndicate. The borrowing rate for this financing is calculated based on the 3-month EURIBOR, which is at least 0%, plus a mark-up. The interest hedging instruments entered into in the prior year were retained. As of the reporting date, they cover 80% of the financing volume with an approximately equivalent term. The further lines of credit referred to above are two further revolving loans of EUR 15.0 million each, which CENIT can access at any time. Guarantee declarations were submitted by individual group companies for this loan. Furthermore, CENIT is obliged to comply with covenants in relation to net debt and its equity ratio.

Additionally, the Group has credit lines to guarantee the liquidity needed for business operations at all times. As of the end of the reporting period, EUR 1.1 million of those credit lines had been used.

In contrast to the prior year, there was a slight increase in repayments from the current finance lease (EUR 4.6 million; prior year: EUR 4.2 million) as well as in dividend payments (EUR 1.1 million; prior year: EUR 4.7 million).

3.3 Assets and liabilities

The Group's **assets** for the fiscal years 2023 and 2024 are presented below by maturity:



As of the reporting date, **non-current assets** accounted for approximately 54% (prior year: 45%) of all assets and were thus EUR 15.3 million higher than in the prior year. Non-current assets chiefly comprise fixed assets of EUR 81.0 million (prior year: EUR 64.4 million). In addition to slightly reduced property, plant and equipment of EUR 12.6 million (prior year: EUR 13.0 million), there was a large increase in intangible assets to EUR 66.5 million (prior year: EUR 47.6 million), chiefly due to including the newly acquired companies in the consolidated financial statements. Other financial assets dropped by EUR 3.5 million as a result of the write-down of the equity investment in ASCon Systems Holding GmbH as well as the valuation of the put/call option.

Current assets fell by EUR 10.7 million year on year to EUR 73.3 million. This included a decrease in trade receivables to EUR 33.1 million (EUR 35.4 million) and in receivables from associates to EUR 3.1 million (EUR 4.3 million). Cash likewise decreased by EUR 7.9 million to EUR 16.5 million.

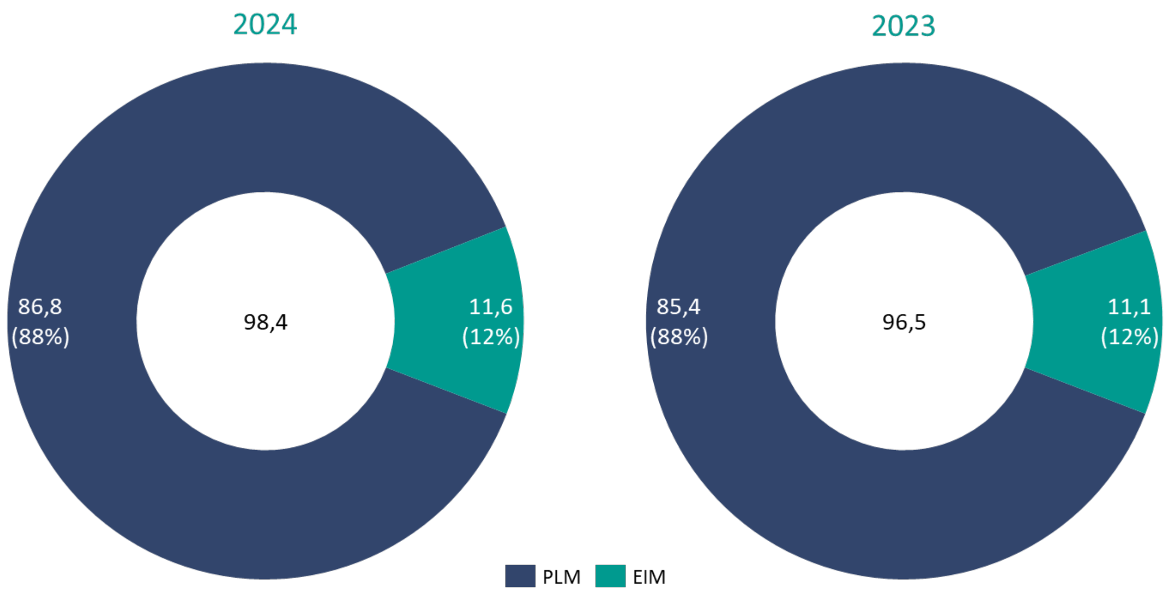
Against the backdrop of the continued difficult circumstances arising from the challenging economic situation in Germany and the conflicts in Ukraine and in the Middle East, the Management Board of CENIT AG considers the **course of business** of the CENIT Group in the fiscal year 2024 to have been "good". The objective in the coming months and years will be to accelerate organic growth as set out in the 2025 Strategy. In conclusion, overall it can be said that the CENIT Group is continuing on its growth trajectory despite the challenging circumstances and is taking (strong) advantage of the opportunities arising from the digital transformation of industry.

4 Assets, liabilities, financial position and performance of CENIT AG

The following comments relate to **CENIT AG** as the parent of the CENIT Group. The disclosures are made on the basis of HGB ["Handelsgesetzbuch": German Commercial Code] for accounting by large corporations and AktG ["Aktiengesetz": German Stock Corporation Act]. CENIT AG's earnings are influenced by the earnings of the subsidiaries as well as of the joint venture CenProCS AIRliance GmbH.

4.1 Financial performance

Sales of CENIT AG in the fiscal year 2024 amounted to EUR 98.4 million and were thus up around 1.9% on the prior-year sales of EUR 96.5 million. Breaking down revenue by segment (PLM and EIM) shows the following picture:



Sales by **product / income type** break down as follows:

Sales by product / income type in EUR k	2024	2023
Third-party software	50,219	47,614
thereof software	7,234	6,686
thereof software leasing	6,445	6,238
thereof software updates	36,540	34,690
CENIT consulting and services	31,750	34,139
CENIT software	15,710	14,017
thereof software	4,722	3,656
thereof software leasing	1,088	783
thereof software updates	9,900	9,578
Merchandise	23	92
Other	662	642
Total	**98,364**	**96,504**

Total sales rose to EUR 98.4 million in 2024 compared with EUR 96.5 million in the prior year (up 1.9%). The trends identified were as follows:

(1) The percentage of recurring sales from software leasing and software updates in total sales increased by 1.8% to 54.9% (prior year: 53.1%).

(2) There was a EUR 2.4 million fall in sales from consulting and services (down 7.0%), which accounted for 32.3% of total sales in the fiscal year compared with 35.4% in the prior year.

(3) New sales of third-party and proprietary software surged by around 15.6% year on year, due among other things to alternating sales cycles.

Other operating income came to EUR 0.4 million in the reporting period (prior year: EUR 2.1 million). Other operating income stemmed primarily from currency effects in connection with a loan to finance the acquisition of Analysis Prime.

Cost of materials came to EUR 48.2 million in the reporting period after EUR 47.5 million in the prior year (up 1.6%). The increase reflects the rise in revenue. At 49.1%, the ratio of cost of materials to sales remained at the prior-year level (49.2%).

At EUR 33.7 million, **personnel expenses** in 2024 were EUR 2.1 million below the prior-year figure. A drop in the average headcount over the fiscal year had a positive effect on this figure. This resulted in a ratio of personnel expenses to sales of 34.2% after 37.1% in the prior year.

Other operating expenses are at EUR 17.2 million as of the reporting date compared to EUR 13.1 million in the prior year. This increase is due first and foremost to higher consulting costs (up EUR 1.7 million), mostly in connection with the acquisitions made, and higher bank charges and fees (up EUR 0.6 million) in connection with the refinancing.

CENIT AG achieved **EBITDA** of EUR -0.4 million (prior year: EUR 2.5 million), leading to a reduction in the EBITDA margin from 2.5% in the prior year to -0.4%.

EBIT likewise fell from EUR 1.9 million in the prior year to EUR -0.8 million in the reporting period, decreasing the EBIT margin from 2.0% in the prior year to -0.8% in the reporting period. Additionally, the net income for the year of EUR 3.8 million (prior year: EUR 2.3 million) contains a tax expense of EUR 0.0 million (prior year: EUR 0.1 million).

The **financial result** totaled EUR 4.2 million in the reporting period after EUR 0.5 million in the prior year. The primary reason for the increase was a EUR 5.1 million rise in income from equity investments. Meanwhile, interest expenses climbed from EUR 1.4 million in the prior year to EUR 2.3 million in the reporting period. Deferred tax assets must be calculated based on a tax rate of 31% (prior year: 31%). The tax rate is 74.9% in the fiscal year (prior year: 27.6%).

4.2 Financial position

In the reporting period 2024, the **investing activities** of CENIT AG were informed by investments in financial assets (EUR 11.7 million) and by investments to replace fixed assets (EUR 0.7 million).

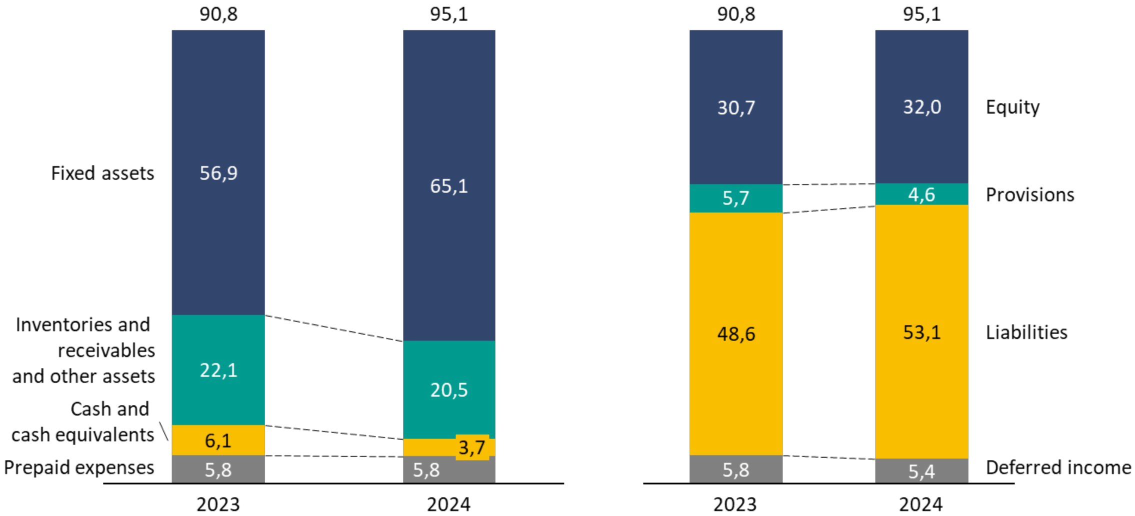
Liquidity as of the reporting date dropped from EUR 6.1 million to EUR 3.7 million.

At the General Meeting of Shareholders on 4 June 2025, the Management Board and the Supervisory Board will, based on the financing strategy in relation to future business acquisitions, propose that no dividend be distributed.

The **financial strategy** remains geared to balancing a strong credit rating in the long term with the interests of the shareholders in receiving a dividend.

4.3 Assets and liabilities

The **total assets** of CENIT AG increased from EUR 90.8 million to EUR 95.1 million as of the reporting date. The development of the individual balance sheet items can be seen from the following chart:



As of the reporting date on 31 December 2024, the assets side of the balance sheet of CENIT AG is mostly characterized by fixed assets, which increased considerably (up EUR 10.0 million) as a result of indirectly acquiring the shares in Analysis Prime. Open trade receivables were around EUR 0.5 million lower at the end of the reporting period than in the prior year.

On the equity and liabilities side, CENIT AG's balance sheet is characterized by the share of equity and liabilities, with the equity ratio falling to 34.9% as of the reporting date compared to 33.8% in the prior year. Liabilities mainly increased on the back of borrowing.

Against the backdrop of the continued difficult circumstances arising from the challenging economic situation and the ongoing war in Ukraine, the conflict in the Middle East and the tense geopolitical situation overall, the Management Board of CENIT AG considers the **course of business** of CENIT AG in the fiscal year 2024 to have been "good". The objective in the coming months and years will be to accelerate organic growth as set out in the 2025 Strategy. In conclusion, overall it can be said that CENIT AG is taking corresponding initiatives to remain on an ambitious growth trajectory in the short and medium term despite the challenging circumstances and will take (strong) advantage of the opportunities arising from the digital transformation of industry.

5 Report on expected developments

This (group) management report contains forward-looking statements and information. These statements can be recognized from wording such as "expect", "intend", "plan", "estimate" and similar. Such statements are based on certain expectations and assumptions that entail corresponding risks and uncertainties. Many factors that influence the business model, business activity, business strategy and success of the CENIT Group are not always within the sphere of influence of the CENIT Group. This may lead to the actual results of the CENIT Group deviating materially from the results mentioned directly or indirectly in the forward-looking statements.

5.1 Expected macroeconomic and sector-specific environment

The International Monetary Fund (IMF) adjusted its growth forecasts for Germany downwards in January 2025. Economic growth of 0.3% is now expected for 2025, which constitutes a 0.5 percentage point reduction compared to the previous forecast. This means that Germany continues to be one of the weaker economies among the leading industrial nations.

The chief reason for this according to the IMF is that Germany as an export-driven economy is suffering more than other countries from the general downturn in global trade. Additionally, stubbornly high energy prices continue to burden industrial manufacturing. Because of the current election phase, the focus is not expected to shift to economic policy measures until after a government has been formed in March.

The forecast for the global economy is more favorable in an international comparison. The IMF expects global growth of 3.3% for 2025, a marginal 0.1 percentage point improvement compared to the autumn forecast. The US economy in particular is forecast to develop positively with an expected growth rate of 2.7%. This constitutes a 0.5 percentage point raising of the forecast.

By contrast, the forecast was adjusted downwards for the eurozone, with growth of 1.0% now expected for 2025. China and India will continue to drive growth, with growth rates of 4.6% and 6.5% forecast respectively.

Another significant factor for economic development is inflation. The IMF assumes that the global inflation rate will continue to fall, which could provide the central banks with headroom to relax monetary policy. Nevertheless, geopolitical uncertainties and potential trade conflicts continue to pose considerable risks to economic development.

The digital industry continues to be unscathed by the global crises and is still set for growth. According to Bitkom, ITC sales are to rise globally by 6.6% to EUR 5.2 trillion in 2025, with the dominant market share of 38.8% accounted for by the US. Germany and the UK will only rank fourth, with a market share of 4.1%. India will have the highest growth, with a forecast increase of 8.0%, followed by the US (7.3%), the UK (6.7%), Japan (5.9%) and China (5.8%). German ITC sales are set to grow 4.6% to EUR 232.8 billion despite the difficult economic environment. In addition, the number of people employed in the digital economy is predicted to rise by around 20,000 to 1,371,000 by the end of 2025.

5.2 Expected developments of the CENIT Group and of CENIT AG

2025 will be another challenging year for the CENIT Group. However, the focus will shift from inorganic growth combined with further company acquisitions to improving operating competitiveness. The following forecasts do not include the potential effects of acquisitions. Based on the macroeconomic and sector-specific developments described above (5.1), consolidated sales are expected to range between EUR 229.0 million and EUR 234.0 million. EBITA (EBIT before PPA amortization) of around EUR 12.4 million is expected for 2025. The EBIT margin is forecast to be at least 3.0%, which corresponds to an EBIT forecast of between EUR 6.8 million and EUR 7.3 million. This takes into account the current difficult economic framework conditions. The premise for 2025 is moderate sales growth as well as various measures to raise efficiency. To achieve this goal sustainably, a plan was developed to uncover potential for raising efficiency in all areas of the Group and measures were derived from the plan for direct implementation.

In the EIM segment, sales of roughly EUR 46.9 million, EBITA (EBIT before PPA amortization) of around EUR 6.6 million and EBIT in the region of EUR 5.5 million are expected. In the PLM segment, sales of roughly EUR 186.1 million, EBITA (EBIT before PPA amortization) of around EUR 5.8 million and EBIT in the region of EUR 1.5 million are planned.

CENIT AG is expected to record sales in the region of EUR 97.0 million in 2025. EBIT is forecast to stand at EUR -1.7 million. This is due to non-recurring expenses in internal projects to increase operating efficiency in order to raise competitiveness in the long term and leverage corresponding EBIT potential in the medium term.

In light of the geopolitical situation, the plan presented is based on the assumption that the ongoing war between Russia and Ukraine as well as the conflict in the Middle East and the current tense economic situation in Germany will not have any significant negative economic effects (supply chain interruption, drop in demand etc.) on our industry or our main customer segments (aerospace, automotive and civil and mechanical engineering) and that we will be able to achieve our growth targets.

As in prior years, software development will be stepped up, in particular the digital factory solution FASTSUITE E2 and SAP integration. The entire production industry (PLM) as well as financial services providers (MEPs) are facing challenges posed by digitalization and the related investments in transforming their IT landscape. As an innovative and reliable solution provider, the CENIT Group will make its contribution to overcoming these challenges through its software and service offerings.

In addition, CENIT offers a one-stop shop for all digitalization processes along the production chain as well as document processing, which sets CENIT apart globally from its competitors on the market.

The Group's strategy generally comprises inorganic growth to enhance its own market position and to become more independent of third-party providers, to win market share and at the same time to improve profitability. In 2025, however, the strategic emphasis will shift to consolidating the Group's structures in order to leverage lasting EBIT potential in the medium term.

CENIT is also planning that its internally developed software will account for a large part of the overall portfolio. The fact that M&A activities to date have been heavily based in the services segment has diluted the software-related sales in relation to the total sales of the CENIT Group. The Management Board therefore set the target in the 2025 Strategy to a 20% share of proprietary software in total software sales. This figure is 16.0% for 2024 compared with 15.3% for the prior year.

The cooperation with the partners Dassault Systèmes, IBM and SAP will be pursued on a lasting basis in order to continue to position the CENIT Group as their strategic partner. Last but not least, reporting within the framework of the EU taxonomy and raising employee awareness through training on compliance and sustainability will increase the significance of non-financial performance indicators further.

5.3 Overall statement on future development

Despite the ongoing **uncertain market conditions** on account of the current economic situation, the war in Ukraine, the conflict in the Middle East and the general geopolitical tensions, the Management Board is positive about the future. This view is borne out by the long-term stable growth trends in relevant markets and sectors as well as what the Management Board considers to be the Group's strong present and future positioning in numerous European countries, such as Germany, with a huge backlog of demand in terms of the digital transformation of industry. It remains very difficult to gage the future effects of global events. In addition, the acquisitions carried out have shown that targeted strategic shareholdings can open up new market segments that result in a large number of new customers for all of CENIT's business divisions or can enhance its own market position. At the same time, it reduces dependency on individual industry segments, thus stabilizing planning reliability.

The high share of **recurring sales** from software update agreements in particular means that CENIT has a solid basis for the planned sales development in 2025. Additionally, the CENIT Group has a solid capital structure that contributes to financing growth.

Taking into consideration the **uncertain macroeconomic framework conditions**, which could change again at short notice at any time, the Management Board currently expects a year of consolidation with plans to achieve an EBIT margin of at least 3.0%.

The statements on **future development** are expressly subject to the proviso that there are no material changes in macroeconomic and sector-specific conditions, especially on account of the economic situation in Germany, the conflict between Russia and Ukraine, the conflict in the Middle East and the tensions around Taiwan, or that they will not have any significant impact on our industry or our main client segments.

6 Report on opportunities and risks

6.1 Key characteristics of the internal control and risk management system (unaudited)

Risks are an intrinsic component of entrepreneurial action. As part of the internal control and risk management system, which also incorporates the financial reporting processes as well as all risks and controls related to financial reporting, CENIT endeavors to counter these risks appropriately. The aim is not to avoid risks or eliminate them completely, but to provide an adequate and appropriate internal control and risk management system to counter the risks as they arise. In order to ensure this, CENIT has a control and risk management system in place that uses a continuous process to safeguard assets and that meets statutory and regulatory requirements. Part of this system involves defining control procedures, regular risk inventory-taking and deriving corresponding measures.

The key elements of the internal control and risk management system of the CENIT Group are explained below.

6.2 Opportunities and risk management

The diverse nature of the CENIT Group's **business activities** means that its entrepreneurial activity is subject to opportunities and risks alike. In order to recognize and assess opportunities and risks at an early stage and ensure that they are handled correctly, the CENIT Group uses a corresponding management and control system. In the short, medium and long term, the objective is to grow sustainably and profitably and thus increase the business value in the interest of all stakeholders. This can be ensured by exploiting opportunities to the fullest and recognizing risks as early as possible in order to take adequate countermeasures. It is the responsibility of the Management Board of CENIT to recognize risks at an early stage and to take appropriate countermeasures. A risk management system has been implemented to identify risks across the Group and to assess these risks according to uniform criteria and categories, both from a qualitative and a quantitative perspective. The current risk situation is updated, analyzed and documented on a six-monthly basis using risk assessment.

The **risk management system** chiefly covers financial and tax risks, market risks, strategic risks as well as legal and compliance risks. The system is based on CENIT AG as the parent of the CENIT Group and also includes all of the companies included in the consolidated financial statements in the assessment together with their key processes.

The probability of occurrence and primarily the related (forecast) impact on sales, EBIT and liquidity play a decisive role for **risk assessment**.

In order to ensure a **functioning risk management system**, integral components of the risk management system include compliance with the principle of dual control and the segregation of functions, allocation of responsibilities, controls for the preparation of the financial statements, group-wide guidelines for accounting and preparing the financial statements as well as suitable rules for access to IT systems.

CENIT's growth strategy offers significant **opportunities**. These chiefly pertain to the tapping of new market and customer segments as well as copperfastening CENIT's position with its long-term partners. There are also opportunities in relation to the closer integration of CENIT's own business models and the related rise in cross-selling potential.

The CENIT companies operate in markets that are permanently undergoing dynamic development and from which new opportunities can constantly arise. It is the task of risk management to assess potential opportunities and potential related risks. Increasing digitalization and the related development of new technologies and products that offer additional value added potential but also require constant adaptability is particularly significant in this respect.

The strategy of continued, planned inorganic growth is also expected to yield further potential and a positive impact on the assets, liabilities, financial position and financial performance as well as the market position of the CENIT Group.

6.3 Risk assessment and reporting

A **key component** of the system is a detailed planning system, an annual budget plan, monthly variance analyses as well as the early and regular communication of risks and opportunities. This risk management is assisted by regular meetings of management, where opportunities and risks relating to business development are analyzed and examined in detail.

The **risk principles** at CENIT (guiding principles) are as follows:

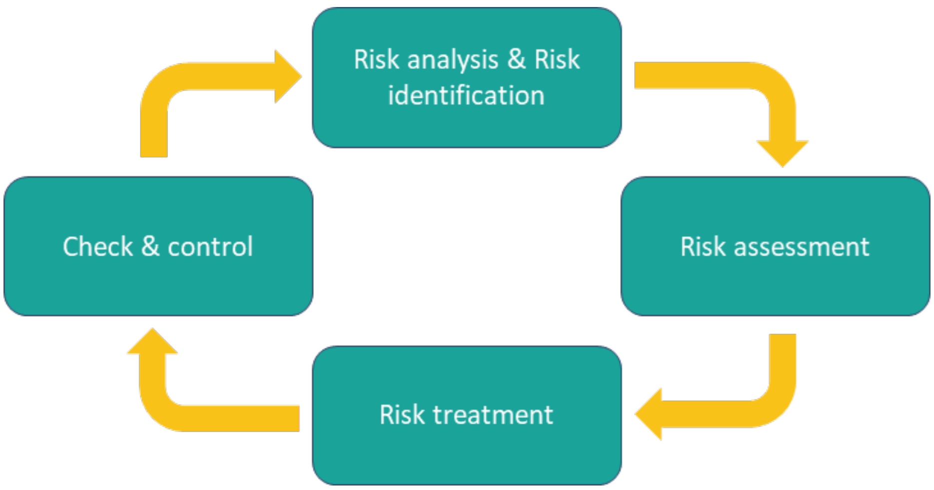
- Entrepreneurial activity is always linked to risks.
- We will not accept any risks that could jeopardize the continued existence of the Group.
- Each individual employee is called upon to deal with risks in a responsible and conscious manner.
- Our aim is proactive risk management rather than mere fulfillment of statutory requirements.

- The safety awareness of all employees, the acceptance of necessary measures and active participation form the basis for safety in the Group.
- Executives ensure familiarity and compliance with guidelines and regulations within their own area of responsibility.
- Employees must familiarize themselves with safety regulations and precautions and must base their conduct on these.
- All employees are obliged to protect information to ensure that the Group is not harmed by the unauthorized use of such information.
- The safety departments on the ground will assist employees and executives in implementing all safety-related matters.

CENIT AG's **risk culture** centers around the following three risk principles:

(1) Willingness and ability to identify key risks in the respective areas of responsibility or areas monitored.
(2) Consistent communication throughout the entire organization regarding the assessment of risks in order to create a shared understanding and a coordinated approach.
(3) Efficient risk management in the areas of responsibility or areas monitored as well as in consolidated form at the level of the business divisions and of the CENIT Group.

Risk management is implemented using a standardized process, which involves the following main steps as set out below:



In the CENIT Group, risks are analyzed and assessed systematically. The risks are categorized into individual risk categories for this purpose. The risk categories are updated and managed in the newly introduced risk management tool. The entire risk assessment process is coordinated by centralized risk management.

Based on two parameters – (1) the expected probability of occurrence and (2) the expected loss – the risks are assessed and classified into the categories low, medium, high and existential, depending on their potential impact. In a next step, the risk categories "low" and "medium" are assessed as acceptable risks. Risks classified as "high" should be responded to using suitable measures to mitigate the risk. Risks classified as "existential" are not acceptable and must be addressed with suitable measures.

Furthermore, the risks must be assessed based on quantitative aspects, preferably using triangular distribution as a risk assessment function and using a simple value in certain circumstances. In addition, a distinction is made between the two assessment periods (1) next 12 months and (2) in months 13 to 24.

A corresponding risk matrix is created based on the assessments made:

Probability of occurence	0 – 1 Mio. EUR	1 – 5 Mio. EUR	5 – 15 Mio. EUR	>15 Mio. EUR
>60% - 100%	medium	high	high	high
>25% - 60%	medium	medium	medium	high
>5% - 25%	low	medium	medium	medium
0% - 5%	low	low	low	medium
	Loss			

The Management Board uses the matrix to decide which risks must be classified as existential. If necessary, risks will be grouped together for this purpose. Risk treatment involves drafting and implementing suitable measures for responding to the risks that need to be addressed. Corresponding measures are allocated to the risks in the risk portfolio and documented.

As part of the risk management process, risk capacity is initially determined and then monitored regularly and continually. The corresponding risk-bearing capacity is entered in the system at entity level.

Computerized simulations (Monte Carlo simulation) and risk aggregation are used to assess a risk's potential existential threat.

The Management Board examines the classified risks together with the department heads and the employees responsible in that business unit. In addition, the Supervisory Board regularly receives reports on the risk situation and discusses the issue in detail.

6.4 Risk situation

a) General

Out of **all** opportunities and risks identified, those areas that currently could have a material positive or negative impact on the assets and liabilities, financial position and financial performance in the forecast period are described below. Pursuant to the aforementioned assessment based on the expected loss of consolidated earnings and liquidity, the corresponding classification of the expected loss caused by the risk that remains after taking countermeasures is stated for the following risks.

The **risk situation** for the CENIT Group is as follows:

Risk category		Risk assessment
Financial and tax risks	Financing / creditworthiness	low
	Currency risks	low
Market risks	Customer dependency	low
	(Global) crises	medium
Strategic risks	Supplier dependency	low
	IT security	medium
Legal and compliance risks	Contractual risks	low
	Compliance	low

b) Financial and tax risks

The Group is exposed to credit, counterparty and liquidity risks as well as interest and exchange rate fluctuations in the course of its operations that are identified and assessed as part of risk management. The CENIT Group has had an equity ratio higher than 30% for many years, which provides it with a solid financing base. Furthermore, credit ratings are obtained as necessary to assess customers' ability to repay and to avoid payment default, and historical data from the business relationship to date are taken into account – especially in relation to payment history. An adequate accounts receivable management system is in place in this respect. The CENIT Group processes most business transactions in the local currency. Because the sales in local currency are countered by corresponding expenses in local currency, the risk of currency fluctuations is low.

Particularly at present, the management of liquidity risks is especially vital. Liquidity risks occur when the customers of the CENIT Group are not in a position to meet their payment obligations. To recognize this risk at an early stage and thus limit it to the extent possible, the CENIT Group carries out regular analyses to assess customer solvency.

As part of its growth strategy, CENIT pursues a policy of financing on a solid economic basis. CENIT's orderly capital structure helps to ensure that it can procure sufficient liquidity successfully when it finds itself in need of capital.

Currency risks from procurement in the CENIT Group occur when goods and services are procured in a currency other than the functional currency of the respective company. We minimize this risk by concluding corresponding purchase and sales agreements in the same currency. Since procurement focuses primarily on the eurozone, foreign exchange risks from procurement at the parent company are the exception.

The volatility on the foreign exchange markets and the resulting uncertainty surrounding exchange rate developments also have an influence on CENIT. The business activities of the CENIT Group also generate receivables in US dollars (USD), Swiss francs (CHF), Romanian leu (RON), Chinese yuan (CNY) and Japanese yen (JPY) among others. CENIT is thus exposed to a certain currency risk. Because payment generally takes place soon after invoicing and because prepayments are taken, the residual currency risk is assessed as part of an economic cost/benefit analysis and is even hedged if necessary. No transactions to hedge currency exposure were carried out in the 2024 reporting period.

c) Market risks

The Company counters ongoing price pressure by investing in the constant further training of its employees. The shortage of skilled staff in the IT sector also helps to escape the pressure on price. Adapted recruitment systems that use new (virtual) tools for hiring staff are managing the lack of skilled staff and minimizing the performance risk.

The CENIT Group trusts its partners and suppliers and wants to contribute to a fair and long-term cooperation in this way. Performance, counterperformance and risks are appropriately balanced. Partners and suppliers are expected to participate in recognizing and implementing potential for raising efficiency. In this regard, CENIT pursues a purchasing policy that is tailored to the specific requirements of each project.

The Management Board monitors dependency on key accounts on a constant basis. No one customer contributes more than around 5% to consolidated sales in the fiscal year 2024.

Residual risks include the trouble between Russia and Ukraine, the conflict in the Middle East and the tensions in relation to Taiwan.

d) Strategic risks

CENIT pays close attention to its strategic partnerships. These strategic partnerships create dependencies on individual suppliers. Because of its size, CENIT is well positioned as a partner to Dassault Systèmes, as access to several thousands of customers is ensured only via the distribution network of the CENIT Group. There are thus mutual dependencies at play. Nevertheless, this dependency will be greatly reduced by means of targeted acquisitions in other business divisions.

The IT function monitors system operation continuously, checks existing access rights of the individual users at regular intervals and adapts access rights to the individual systems as necessary. For this reason, the IT risk is considered challenging but manageable and is thus rated as ‘medium’.

Considering the geopolitical tensions outlined and the related uncertainties, particularly in terms of the **economic development** in CENIT’s key industries such as automotive, aerospace and civil and mechanical engineering, the planning is also characterized by uncertainty for the fiscal year 2025 and subsequent years. Monthly analysis is carried out of the relevant developments on the sales and EBIT side, and scenario planning and sensitivity analyses are used in an effort to obtain forecasts that are as accurate as possible.

e) Legal and compliance risks

The CENIT Group enters into **contracts** with its customers at arm’s length. Contractual risks are limited by using standardized General Terms and Conditions. In addition, the CENIT Group has taken out sufficient public liability insurance to minimize the risk.

Compliance risks are penalties, financial or other tangible losses due to breaches of the law and failure to comply with internal company regulations or principles. Compliance risks are classified as low on the whole.

6.5 Overall picture of the CENIT Group’s opportunity and risk situation

A review of the current risk situation has shown that there were no **risks** in the reporting period that **jeopardized the continued existence of the Group as a going concern** and that no such risks are foreseeable at present for the future. All recognized risks were taken into account appropriately in the consolidated financial statements, and provisions were created as necessary. Furthermore, as of the reporting date there are no other risks that could have a material impact on the assets and liabilities, financial position and financial performance. The risk management and early warning system make transparent corporate governance and early detection of risks possible.

An **overall analysis** of opportunities and risks shows that, in addition to strategic risks, the CENIT Group is primarily exposed to operational risk, which is determined by current geopolitical tensions. The latter encompasses the uncertainty surrounding further economic development in relevant industries and the related unit sales opportunities. By contrast, the strategic risks include dependency on developments at key strategic suppliers as well as specialization on technology partners and the related dependency on their business development. There is an opportunity to optimize and increase the daily rates achievable by means of a high-quality service and process expertise. This can only be implemented based on sustained training for our employees. By raising its profile on the labor market, CENIT takes advantage of the opportunities on offer to recruit high-quality specialist staff.

CENIT is well positioned in its target markets. CENIT has a strong market position in its two segments, PLM and EIM, with regard to its A and B customers. CENIT intends to take advantage of the opportunities that this creates even more rigorously in the future to secure its market position and expand it further. The resulting potential for opportunities is rated as medium to high. Especially the Group's own software solutions will help, forging even-stronger links to customers. The strategic partnerships with global players such as Dassault Systèmes, IBM and SAP will also help to increase customer loyalty. In addition, the Group regularly identifies, assesses and monitors opportunities and (potential) risks in all material business transactions and processes.

There are significant market opportunities for CENIT in connection with the advancing **digitalization of the production industry** and the continued long-term focus on its own software and the related services.

Alongside the risks described, ever-shorter **innovation cycles** open up the possibility to progress with the digitalization of our society and offer our business customers solutions with our own software products that will make them more competitive. Consequently, our activities relating to innovation and product development are decisive in order to recognize and use opportunities and establish them in the face of increasing competition.

6.6 Internal control and risk management system in relation to the accounting and group financial reporting process, Sec. 315 (4) HGB (CENIT AG: Sec. 289 (4) HGB)

A major part of the risk management system is the accounting-related internal control and risk system of the CENIT Group. Accordingly, the internal control system is understood to include the principles, processes and measures introduced by management that are geared to the organizational implementation of executive decisions to ensure the effectiveness and efficiency of the business activities for the compliance and reliability of the internal accounting and external financial reporting.

An internal control system appropriate for the respective circumstances is implemented at each of the group companies; this system is continuously refined. Accounting recognizes the principle of a separation of functions. Most finance and accounting functions are performed centrally at the Stuttgart location. There is a clear allocation of tasks, both for preparing the separate financial statements and for preparing the consolidated financial statements. Controls are also implemented in accordance with the principle of dual control or in the form of system controls in order to avoid inaccuracies.

The Management Board is responsible for the internal control and risk management system in terms of the group financial reporting process.

6.7 Quality management and information security (unaudited)

a) Quality management

The success of the CENIT Group hinges primarily on how well customer requirements are met. In the field of business process consulting, we endeavor to win customers with high-quality and economical solutions. By carrying out operating activities at the customer or as part of outsourcing projects, we want to raise the efficiency of the processes assumed.

To achieve this, the CENIT Group has designed its processes to meet these customer requirements in the best possible way. To this end, it has developed and implemented key process descriptions applicable to the entire Group. All employees are instructed to implement these processes and to improve them constantly using established methods.

Continuous monitoring and improvement thus forms an important component of the quality management system. This ongoing process allows potential for improvement to be identified, evaluated and implemented.

Quality management is the responsibility of the Management Board. This ensures that the Management Board has direct influence and control over the Group's quality management system and can respond very quickly and flexibly to any negative developments.

The CENIT Group has documented quality management rules in the management manual. The basis is provided by the ISO 9001 standard.

The Management Board defines the quality policy and objectives while ensuring awareness and implementation at all levels of the Group. Furthermore, the Management Board defines the organization and areas of responsibility and provides the necessary financial and human resources.

The Management Board examines regularly – but at least once a year – whether the agreed targets and processes as well as laws and standards have been complied with. Compliance with the requirements of ISO 9001 is assessed annually, both by internal audits and by an independent external certification body.

b) Information security

To ensure compliance with legal, official and contractual requirements and to safeguard the protection of customer information and CENIT's own information, an information security management system was implemented based on ISO/IEC 27001. ISO 27001 is an internationally recognized standard and involves a systematic process-based approach for implementing an information security management system that takes into account both the technology and the employees while at the same time establishing a continuous monitoring and optimization process.

The information security management system thus supplements the quality management system with specific technical and organizational measures to maintain information security, such as physical and personnel safety by means of physical and virtual access protection or the encryption of critical data.

An awareness program based on e-learning teaches the requisite knowledge for handling information appropriately. These mandatory training sessions are supplemented with simulations of possible threat scenarios. Additionally, staff are informed and appraised of current developments. The information required for day-to-day business is communicated either at regular meetings, at individual meetings or via the intranet. Open communication that is based on dialog is valued.

Compliance with the requirements of ISO/IEC 27001 is assessed annually, both by internal audits and by an independent external certification body.

6.8 Statement on the appropriateness and effectiveness of the internal control and risk management system (unaudited)

Based on the key elements in relation to the internal control and risk management system and the information provided to us, the internal control system does not contain any critical internal control weaknesses that could have a material impact on the CENIT Group. Likewise, no matters have arisen from the internal risk management or from our internal quality management procedures that could jeopardize the achievement of the corporate objectives and that have not been appropriately dealt with by our processes. The processes as part of the internal control system and in relation to the risk management system are reviewed at regular intervals by the internal audit function (TQM) and in the course of external audits.

Overall, we are not aware of any circumstances that would indicate that the internal control system and risk management system (which also includes the financial reporting processes) used in the CENIT Group are not appropriate or did not function effectively as of the end of the reporting period.

7 Other notes

7.1. Declaration on Corporate Governance (unaudited)

The Management Board and Supervisory Board of the Company have issued the corporate governance statement for 2024 prescribed by Sec. 289f HGB and/or Sec. 315d HGB and have made it available on the homepage at: https://www.cenit.com/en_EN/investor-relations/corporate-governance.html.

7.2. Separate non-financial group statement (unaudited)

The Management Board will prepare the separate non-financial group statement prescribed by Sec. 315b HGB and make it available permanently on the homepage by 30 April 2025 at: https://www.cenit.com/en_EN/investor-relations/corporate-governance.html.

8 Explanations of the Management Board on the disclosures pursuant to Secs. 289a and 315a HGB

(1) Composition of issued capital

The capital stock of CENIT AG amounts to EUR 8,367,758.00 as of 31 December 2024. The nominal amount per share totals EUR 1. Accordingly, the number of shares is 8,367,758. These shares are bearer shares.

(2) Restrictions on voting rights or the transfer of shares

There are no restrictions on voting rights or the transfer of shares.

(3) Equity investments in capital that exceed 10% of voting rights

Direct or indirect equity investments in issued capital that exceed 10% of voting rights are presented in the notes to the annual financial statements and in the notes to the consolidated financial statements of CENIT AG.

(4) Shares with special rights that grant control

There are no shares with special rights that grant control.

(5) Type of voting right control if employees have equity investments in capital and do not exercise their control rights directly

There are no voting right controls for employees who have equity investments in capital.

(6) Statutory requirements and regulations in the articles of incorporation and bylaws concerning the appointment and dismissal of Management Board members and amendment of the articles of incorporation and bylaws

The appointment and dismissal of Management Board members is regulated in Sec. 84 AktG. Furthermore, Article 7 Nos. 1 and 2 of the articles of incorporation and bylaws states that the Supervisory Board appoints the Management Board members and determines the number of Management Board members. Pursuant to Article 7 No. 1 of the articles of incorporation and bylaws, the Management Board comprises at least two persons.

The provisions to amend the articles of incorporation and bylaws are regulated in Secs. 133, 179 AktG. Additionally, Article 21 No. 1 of the articles of incorporation and bylaws states that resolutions of the General Meeting of Shareholders require a simple majority of the votes cast and, where required, the simple controlling interest, unless legal regulations or the articles of incorporation and bylaws prescribe otherwise. The Supervisory Board is entitled pursuant to Article 16 of the articles of incorporation and bylaws to make amendments to the articles of incorporation and bylaws that only affect the version.

(7) Authorization of the Management Board to issue and buy back shares

At the General Meeting of Shareholders on 6 June 2024, the Management Board was authorized, with the approval of the Supervisory Board, to increase the capital stock of the Company by up to EUR 1,673,551.00 in total by 5 June 2029 by issuing, on one or more occasions, up to 1,673,551 new no-par value bearer shares in total (authorized capital 2024). The shareholders must be given a subscription right. The new shares can also be assumed by one or several financial institutions or equivalent companies pursuant to Sec. 186 (5) Sentence 1 AktG with the obligation of offering them to the shareholders for subscription.

Unless expressly authorized by law, the Company requires special authority by the General Meeting of Shareholders pursuant to Sec. 71 (1) No. 8 AktG in order to purchase and use treasury shares.

The Management Board of CENIT AG assures that the combined (group) management report presents the course of business including the business result and the position of the Group and of the Company in a way that provides a true and fair view and describes the material opportunities and risks.

(8) Company arrangements that are subject to the condition of a change of control as a result of a takeover offer and resulting effects

The syndicated loan signed in December 2024 provides in 9.2 rules on a change of control in the event that a person or persons acting jointly should take over at least 30% of the voting rights of the Company, either directly or indirectly, pursuant to Secs. 39 (2), 30 WpÜG or otherwise exercise control of or control the Company. This may lead to a situation where no lender is obliged to provide further utilization. PRIMEPULSE SE is contractually excepted from that rule.

There are no further material company arrangements that are subject to the condition of a change of control as a result of a takeover offer.

(9) Company compensation arrangements for the event of a takeover offer with the members of the Management Board or employees

There are no company compensation arrangements for the event of a takeover offer with the members of the Management Board or employees.

Stuttgart, 9 April 2025

CENIT Aktiengesellschaft

The Management Board

Peter Schneck
Spokesperson, Management Board

Axel Otto
Member, Management Board

GROUP FINANCIAL STATEMENTS

CENIT Aktiengesellschaft, Stuttgart CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in accordance with IFRS)			
in EUR k		**31 Dec. 2024**	**31 Dec. 2023**
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	F1	66,462	47,605
Property, plant and equipment	F2	12,639	12,988
Investments recognized at equity	F3	56	58
Other financial assets	F4	4,705	8,216
Deferred tax assets	F5	1,187	788
NON-CURRENT ASSETS		**85,049**	**69,655**
CURRENT ASSETS			
Inventories	F6	54	70
Trade receivables	F7	33,081	35,427
Receivables from investments recognized at equity	F7	3,118	4,307
Contract assets	F8	2,773	1,029
Current tax assets	F10	4,816	3,563
Other receivables	F9	591	1,433
Cash and cash equivalents	F11	16,457	24,341
Other financial assets	F12	12,378	13,789
CURRENT ASSETS		**73,268**	**83,960**
TOTAL ASSETS		**158,317**	**153,615**

CENIT Aktiengesellschaft, Stuttgart CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in accordance with IFRS)			
in EUR k		**31 Dec. 2024**	**31 Dec. 2023**
EQUITY AND LIABILITIES			
EQUITY			
Subscribed capital	F13	8,368	8,368
Capital reserves	F13	1,058	1,058
Currency translation reserve	F13	1,828	1,438
Legal reserve	F13	418	418
Other revenue reserves	F13	12,790	12,936
Profit carryforward	F13	17,782	13,621
Net income of the Group for the year	F13	-71	4,496
Equity attributable to shareholders of the parent company		**42,173**	**42,335**
Non-controlling interests		7,129	2,668
TOTAL EQUITY		**49,302**	**45,003**
NON-CURRENT LIABILITIES			
Other liabilities	F17	904	755
Pension obligation	F19	998	855
Non-current liabilities to banks	F21	39,166	37,406
Non-current lease liabilities	F14	6,412	7,455
Other financial liabilities	F4	3,197	2,979
Deferred tax liabilities	F5	5,994	3,264
NON-CURRENT LIABILITIES		**56,671**	**52,714**
CURRENT LIABILITIES			
Current liabilities to banks	F21	1,101	3
Trade payables	F16	9,859	13,201
Liabilities to investments recognized at equity	F16	33	27
Other liabilities	F17	15,330	15,787
Current lease liabilities	F14	4,235	3,654
Current income tax liabilities	F15	830	1,183
Other provisions	F15	65	152
Contract liabilities	F18	20,891	21,891
CURRENT LIABILITIES		**52,344**	**55,898**
TOTAL EQUITY AND LIABILITIES		**158,317**	**153,615**

CENIT Aktiengesellschaft, Stuttgart CONSOLIDATED INCOME STATEMENT (in accordance with IFRS)				
in EUR k			**2024**	**2023**
1. REVENUE	E1		207,333	184,720
2. Other income	E3		2,540	2,876
Operating performance			209,873	187,596
3. Cost of materials	E4	85,326		76,990
4. Personnel expenses	E5	88,045		78,588
5. Amortization of intangible assets and depreciation of property, plant and equipment	F1+F2	9,882		7,190
6. Other expenses	E7	18,500		15,385
Total costs			201,752	178,154
7. Valuation allowance on trade receivables	E8		-739	-225
NET OPERATING INCOME (EBIT)			**7,381**	**9,218**
8. Other interest and similar income	E9	180		150
9. Interest and similar expenses	E9	2,650		1,831
10. Financial instruments at fair value through profit or loss	E10	-3,737		-732
11. Share of profit of joint ventures		-2		
			-6,209	-2,413
NET PROFIT OR LOSS FOR THE PERIOD BEFORE TAXES (EBT)			**1,172**	**6,805**
12. Income taxes	E11		877	1,881
NET PROFIT OR LOSS FROM CONTINUING OPERATIONS			**295**	4,924
Earnings after taxes of the discontinued operations			0	65
NET INCOME OF THE GROUP FOR THE YEAR			**295**	**4,989**
thereof attributable to the shareholders of CENIT			-71	4,496
thereof attributable to non-controlling interests			366	493
Earnings per share in EUR				
basic	E12		-0.01	0.54
diluted	E12		-0.01	0.54

CENIT Aktiengesellschaft, Stuttgart CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (in accordance with IFRS)			
in EUR k		**2024**	**2023**
Net income of the Group for the year		**295**	**4,989**
Other comprehensive income			
Items that will be reclassified to the income statement in the future under certain circumstances			
Currency translation reserve of foreign subsidiaries	F13	390	41
Reclassifiable gains/losses from cash flow hedges (before taxes)		8	-1,212
Items that will not be reclassified to the income statement in the future			
Actuarial gains/losses from defined benefit obligations and similar obligations	F13	-209	-20
Deferred taxes recognized on other comprehensive income	F13	55	381
Other comprehensive income after tax		**244**	**-810**
Total comprehensive income		**539**	**4,179**
thereof attributable to the shareholders of CENIT		173	3,686
thereof attributable to non-controlling interests		366	493

CENIT Aktiengesellschaft, Stuttgart
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (in accordance with IFRS)

	Equity attributable to shareholders of the parent company									
in EUR k	Subscribed capital	Capital reserves	Currency translation reserve	Revenue reserves		Profit carryforward	Net income of the Group for the year	Equity attributable to shareholders of CENIT AG	Non-controlling interests	Total
				Legal reserve	Other reserves					
As of 31 Dec. 2022	**8,368**	**1,058**	**1,397**	**418**	**13,787**	**11,522**	**6,283**	**42,833**	**1,950**	**44,783**
Reclassification of net income of the Group						6,283	-6,283			
Total comprehensive income			41		-851		4,496	3,686	493	4,179
Addition to basis of consolidation									693	693
Dividend paid to minority interests									-468	-468
Dividend distribution						-4,184		-4,184		-4,184
As of 31 Dec. 2023	**8,368**	**1,058**	**1,438**	**418**	**12,936**	**13,621**	**4,496**	**42,335**	**2,668**	**45,003**
Reclassification of net income of the Group from prior year						4,496	-4,496	0		0
Total comprehensive income			390		-146		-71	173	366	539
Addition to basis of consolidation									4,820	4,820
Dividends paid to minority interests									-725	-725
Dividend distribution						-335		-335		-335
As of 31 Dec. 2024	**8,368**	**1,058**	**1,828**	**418**	**12,790**	**17,782**	**-71**	**42,173**	**7,129**	**49,302**

CENIT Aktiengesellschaft, Stuttgart
CONSOLIDATED STATEMENT OF CASH FLOWS (in accordance with IFRS)

in EUR k	**2024**	**2023**
Cash flow from operating activities		
Net income of the Group for the year	295	4,989
Adjusted for:		
Amortization of intangible assets and depreciation of property, plant and equipment	9,882	7,190
Gains/losses on disposals of assets	3	-526
Other payments/income allocable to investing activities	1,118	-351
Finance income/cost	6,209	2,413
Tax expenses	877	1,881
Increase/decrease in other non-current liabilities and long-term provisions	-208	-632
Increase/decrease in other non-current assets	0	1,147
Interest paid	-3,145	-1,580
Interest received	180	150
Income taxes paid	-3,521	-3,201
Increase/decrease in trade receivables and other current non-cash assets	6,994	-10,621
Increase/decrease in inventories	16	2
Increase/decrease in current liabilities and short-term provisions	-8,365	4,470
Net cash flows from operating activities	**10,335**	**5,331**
Cash flow from investing activities		
Cash paid for purchase of property, plant and equipment and intangible assets	-1,523	-1,382
Cash paid for purchase of shares in fully consolidated entities (net cash outflow)	-14,792	-7,984
Income from the sale of fully consolidated entities	0	324
Income from the sale of property, plant and equipment	42	883
Net cash used in investing activities	**-16,273**	**-8,159**
Cash flow from financing activities		
Cash repayments of lease liability	-4,636	-4,156
Cash paid to shareholders	-335	-4,184
Dividends paid to minority interests	-725	-468
Bank liabilities borrowed	41,067	40,000
Bank liabilities repaid	-37,391	-23,960
Net cash used in financing activities	**-2,020**	**7,232**
Net increase/decrease in cash and cash equivalents	**-7,958**	**4,404**
Change in cash and cash equivalents due to foreign exchange differences	74	23
Cash and cash equivalents at the beginning of the reporting period	24,341	19,914
Cash and cash equivalents at the end of the reporting period (F10)	**16,457**	**24,341**

Notes to the consolidated financial statements of CENIT AKTIENGESELLSCHAFT for 2024

A Commercial register and purpose of the Group

The parent company of the Group, CENIT Aktiengesellschaft (hereinafter the “Company” or “CENIT”), has its registered offices at Industriestrasse 52 - 54, 70565 Stuttgart, Germany, and is filed in the commercial register of Stuttgart local court, department B, under No. 19117. The shares of CENIT are publicly traded on the Frankfurt Stock Exchange (Prime Standard).

The business purpose of the group entities is to provide all types of services in the field of introducing and operating information technology and to sell and market information technology software and systems. With a focus on product lifecycle and document management solutions as well as IT outsourcing, CENIT and its subsidiaries (hereinafter the “CENIT Group”) in its business segments PLM (Product Lifecycle Management) and EIM (Enterprise Information Management) offer tailored consultancy services from a single source. The focus of the CENIT Group is on business process optimization and computer-aided design and development technologies.

B Accounting principles

The consolidated financial statements of CENIT Aktiengesellschaft, Stuttgart, are prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted in the EU and in compliance with the supplementary provisions of commercial law that apply pursuant to Sec. 315e (1) HGB [“Handelsgesetzbuch”: German Commercial Code]. They will be approved for publication on 9 April 2025.

The consolidated financial statements are prepared in euro. To aid clarity, all figures are presented in thousands of euro (EUR k). The end of the reporting period is 31 December of any given year.

For the classification for the statement of financial position, a distinction is made between current and non-current assets and liabilities; in the notes, they are broken down in detail by their term to maturity. The income statement is classified using the nature of expense method.

The assets have been measured on the basis of historical cost (acquisition cost principle), apart from financial assets that are held for trading or are classified on initial recognition as financial assets at fair value through profit or loss and are thus measured at fair value.

The annual financial statements of the entities included in the consolidated financial statements have been prepared on the basis of the parent company’s uniform accounting policies as of the end of its reporting period.

Amended or new IFRSs issued by the IASB and approved by the EU Commission and the resulting presentation, recognition and measurement changes

Compared with the consolidated financial statements as of 31 December 2023, the following standards and interpretations were mandatory for the first time but did not have any material effects on the consolidated financial statements.

- Amendments to IAS 1: Classification of Liabilities as Current or Non-Current
- Amendments to IFRS 16: Subsequent Measurement of a Lease Liability in a Sale and Leaseback
- Amendments to IAS 1: Clarification on Classification of Liabilities as Current or Non-Current with Covenants
- Amendments to IAS 7/IFRS 7: Transparency of Supplier Finance Arrangements in the Statement of Cash Flows

Upcoming IFRS amendments

The following IFRSs adopted by the EU were issued by the end of the reporting period but are not mandatory until later reporting periods. The CENIT Group decided not to early adopt the standards and interpretations that are not mandatory until later reporting periods. No material effects are expected from applying these standards.

- Amendments to IAS 21: Lack of Exchangeability

The following published standards not yet endorsed by the EU will have a material impact on the financial position and performance of the Group.

- IFRS 18: Revising financial statements information
  IFRS 18 will replace IAS 1, with many requirements in IAS 1 remaining unchanged and being supplemented with new requirements. The new standard aims to improve financial reporting on the financial performance of an entity with a focus on the statement of profit or loss. The main changes include the introduction of defined subtotals and the categorization of income and expenses in the statement of profit or loss, new principles for aggregation and disaggregation of items as well as the introduction of disclosures on certain management-defined performance measures. Management assumes that adoption of the new standard will have a material impact on the consolidated financial statements, in particular in relation to the presentation of the income statement.

The other published standards not yet endorsed by the EU are not expected to have a material impact on the financial position or performance of the Group.

- Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments
- Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity
- Annual improvements to IFRS Volume 11
- IFRS 19: Subsidiaries without Public Accountability: Disclosures

C Consolidation principles

1. Basis of consolidation and consolidation principles

The consolidated financial statements include the financial statements of the parent and of the entities it controls (its subsidiaries).

CENIT exercises control when CENIT has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to affect the amount of those returns through its power over the investee. If CENIT does not hold the majority of voting rights, it still controls the investee if it has the unilateral ability to direct relevant activities of the investee through its voting rights in practice.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control by the parent ceases.

By purchase agreement dated 3 January 2024, CCE b:digital GmbH (CCE), a wholly owned subsidiary of CENIT AG, acquired 100% of the limited partner shares in CCE b:digital GmbH & Co. KG. The general partner left the partnership at the same time, resulting in a merger by accrual of the assets of CCE b:digital GmbH & Co. KG into CCE b:digital GmbH. CCE b:digital GmbH & Co. KG, with its head office in Bissendorf, has positioned itself as an expert provider of digital solutions and services for engineering and manufacturing, with a particular focus on the Dassault Systèmes portfolio. The acquisition of CCE b:digital GmbH & Co. KG allows CENIT to grow its market share as a specialist for innovative 3DEXPERIENCE solutions in Germany further and enhances its position as one of the world’s leading strategic Platinum Partners to Dassault Systèmes. The merger by accrual of CCE b:digital GmbH & Co. KG took place as of 1 January 2024. The purchase price amounted to EUR 2,255 k and comprises the fixed purchase price installment of EUR 1,909 k as well as a variable component based on earnings in the 2024 and 2025 reporting periods. The variable purchase price component will be in a range between EUR 0 and EUR 750 k and was valued at EUR 346 k as of the cut-off date. The cash outflow on account of this acquisition amounted to EUR 770 k to date and stemmed from the outflow through the payment of the fixed purchase price installment and inflow of the acquired cash and cash equivalents of CCE b:digital GmbH & Co. KG amounting to EUR 1,139 k.

CENIT has incurred expenses for legal advice and due diligence costs of EUR 115 k in relation to the business combination, EUR 38 k of which were incurred in the past fiscal year. These costs were recognized in other income.

CCE recorded revenue of EUR 5,616 k in the 2024 reporting period, of which EUR 5,616 k relates to the period of belonging to the Group. It has recorded earnings of EUR -45 k since belonging to the Group. The business combination took place at the beginning of the current fiscal year, which is why the profits and losses of CCE were included in full in the net income of the Group during the fiscal year.

The fair values of the identifiable assets and liabilities of CCE as of the acquisition date and the corresponding carrying amounts directly before the acquisition date are as follows:

in EUR k	Fair value as of the acquisition date	Carrying amount to date
Intangible assets	1,445	3
Property, plant and equipment	1,176	1,176
Trade receivables, contract assets and other receivables	307	307
Prepaid expenses	179	179
Total assets	**3,107**	**1,665**
Lease liabilities	1,115	1,115
Trade payables, other liabilities and other provisions	1,492	1,492
Deferred tax liabilities	433	0
Total liabilities	**3,040**	**2,607**
Total net assets acquired	1,206	196
Consideration (excluding ancillary costs)	2,255	
Goodwill arising from the acquisition	1,049	

Trade receivables comprise due gross amounts of contractual receivables of EUR 307 k considered to be fully recoverable.

Because the purchase price exceeded net assets, the acquisition of CCE resulted in goodwill. The consideration paid also includes amounts that take into account the benefits from expected synergies, revenue growth, future market development and the existing labor force of CCE. These benefits are not disclosed separately from goodwill, as they do not meet the disclosure requirements for intangible assets.

With effect as of 31 July 2024, CENIT North America Inc., a wholly owned subsidiary of CENIT AG, acquired 60% of Analysis Prime LLC (AP), based in Naperville, USA. Since its founding in 2018, the company specializes in four areas of competence related to the planning and analytics of business-critical enterprise processes based on SAP architecture. These include SAP Analytics Cloud (SAC), SAP Profitability and Performance Management, SAP Datasphere and SAP Group Reporting. With over 300 projects completed worldwide, including at US Tier 1 companies, Analysis Prime LLC is globally positioned among the top SAC experts. The takeover means that the CENIT Group is now represented at two locations in the US. Simultaneous access to the entire CENIT portfolio of PLM, AI and cloud software solutions opens up possibilities to Analysis Prime LLC for strategic cross-selling and up-selling in North America and Europe.

The purchase price comprises a fixed purchase price installment of EUR 13,181 k and a variable component based on earnings for the fiscal year 2024. The variable purchase price component could have been up to USD 5.0 million, but it does not apply, as the company did not reach the lower threshold in relation to EBITDA. The cash outflow on account of this acquisition amounted to EUR 12,736 k to date and stemmed from the outflow through the payment of the fixed purchase price installment and inflow of the acquired cash and cash equivalents of AP amounting to EUR 445 k. The ancillary costs incurred in connection with the acquisition (EUR 1,078 k) were recognized in other expenses.

AP recorded revenue of EUR 16,905 k in the 2024 reporting period, of which EUR 7,335 k relates to the period of belonging to the Group. It has recorded earnings of EUR -329 k since belonging to the Group. If the acquisition had taken place as of 1 January 2024, the Group's revenue would have amounted to EUR 216,902 k and the Group's loss for the year would have been EUR 1,516 k. When calculating these amounts, management assumed that the preliminary adjustments of fair values made as of the acquisition date would also have applied if the acquisition had taken place on 1 January 2024.

The fair values of the identifiable assets and liabilities of AP as of the acquisition date and the corresponding carrying amounts directly before the acquisition date are as follows:

in EUR k	value as of the acquisition date*	Carrying amount to date
Intangible assets	13,438	729
Property, plant and equipment and financial assets	34	34
Trade receivables, contract assets and other receivables	2,727	2,727
Prepaid expenses	109	109
Total assets	**16,308**	**3,599**
Trade payables, other liabilities and other provisions	1,888	1,888
Deferred tax liabilities	3,372	0
Total liabilities	**5,260**	**1,888**
Total net assets acquired (60%)	6,896	1,293
Consideration (excluding ancillary costs)	13,181	
Goodwill arising from the acquisition	6,285	

*Fair values are presented as preliminary figures based on preliminary calculations. The measurement of the acquired intangible assets had not been completed when the annual report was prepared. The final adjustments will be made in the first half of 2025.

Trade receivables comprise due gross amounts of contractual receivables of EUR 1,900 k considered to be fully recoverable.

Because the purchase price exceeded net assets, the acquisition of AP resulted in goodwill. The consideration paid also includes amounts that take into account the benefits from expected synergies, revenue growth, future market development and the existing labor force of AP. These benefits are not disclosed separately from goodwill, as they do not meet the disclosure requirements for intangible assets.

The new goodwill arising from the business combination is not recognized under US tax law rules and is thus not deductible for tax purposes. Deferred taxes on the goodwill did not arise as part of the purchase price allocation and will not arise in future either.

By merger agreement dated 6 September 2024, CENIT France SARL, a wholly owned subsidiary of CENIT AG was merged into KEONYS SAS, also a wholly owned subsidiary of CENIT AG. The merger took place retroactively for accounting purposes as of 1 January 2024.

The measurement of assets as part of the acquisitions of PII and ABC labeled as preliminary in the prior year were completed in the fiscal year 2024.

The final measurement of the fair values of PII did not lead to any changes. The contractually agreed purchase price back payment in the fiscal year of EUR 169 k affected the goodwill of PII, however, which increased from an original figure of EUR 2,643 k to EUR 2,812 k.

The final valuation of ABC led to an increase in intangible assets from a preliminary figure of EUR 1,900 k to EUR 1,985 k, which is linked to a fall in goodwill from a preliminary figure of EUR 1,523 k to EUR 1,472 k.

The following entities have been included in the consolidated financial statements of CENIT in accordance with IFRS 10 or IFRS 11/IAS 28 respectively (shareholdings pursuant to Sec. 313 (2) HGB). With the exception of the aforementioned matters, the shareholdings are unchanged on the prior year.

No.	Entity	Currency	%	Subscribed capital EUR	Date of purchase accounting
1	CENIT Aktiengesellschaft Stuttgart, Germany	EUR	---	8,368	Parent
Entities included by way of full consolidation					
2	CENIT (Schweiz) AG Effretikon, Switzerland	CHF	100	313	26 October 1999
3	CENIT NORTH AMERICA Inc. Auburn Hills, USA	USD	100	28	29 November 2001
4	CENIT SRL Iasi, Romania	RON	100	105	22 May 2006
5	CORISTO GmbH Mannheim, Germany	EUR	100	25	1 January 2016
6	KEONYS SAS Suresnes, France	EUR	100	155	1 July 2017
7	KEONYS Belgique SPRL Waterloo, Belgium	EUR	100	19	1 July 2017
8	KEONYS NL BV Houten, Netherlands	EUR	100	18	1 July 2017
9	CENIT Software Technology (Suzhou) Co. Ltd. Suzhou, China	CNY	100	662	30 June 2020
10	ISR Information Products AG Braunschweig, Germany	EUR	74.9	170	31 May 2022

11	MIP Management Informations Partner Gesellschaft für EDV - Beratung und Management-Training mbH, Munich, Germany	EUR	100	26	31 January 2023
12	PI Informatik Projektierung von Informationssystemen & Informatikservice GmbH Berlin, Germany	EUR	100	26	1 July 2023
13	ACTIVE BUSINESS CONSULT Informationstechnologie GmbH Vienna, Austria	EUR	60	100	31 July 2023
14	CCE b:digital GmbH Bissendorf, Germany	EUR	100	25	31 December 2023
15	Analysis Prime, LLC Naperville, USA	USD	60	3,363	31 July 2024
Entities included at equity					
16	CenProCS AIRliance GmbH Stuttgart, Germany	EUR	33.3	150	16 November 2007

2. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as an equity transaction.

The goodwill resulting from the acquisition of a subsidiary or of an entity under common control is initially measured at cost, being the excess of the cost of the acquisition over the Group's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. The ancillary costs incurred in connection with the acquisition are recognized in other expenses.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of the impairment test to be carried out annually, the goodwill acquired as part of the acquisition is allocated from the acquisition date to the Group's cash-generating units that are expected to benefit from the business combination or that are created as a result of the business combination.

Each impairment loss on goodwill is recognized directly in profit or loss. Any impairment loss recognized for goodwill can no longer be reversed in future periods.

3. Investment in a joint venture

CENIT has held a 33.33% investment in a joint venture, CenProCS AIRliance GmbH (CenProCS), since 16 November 2007. A contractual agreement has been signed by the shareholders, CENIT AG Stuttgart, PROSTEP AG Darmstadt and CS SI LePlessis Robinson, France, on the provision of packaged services by the shareholders in the area of information technology as well as the coordination and marketing of these services to a major customer. CenProCS passes on the orders from a major customer exclusively to its shareholders, does not have any business activities of its own and is thus not exposed to any entrepreneurial risks directly. CenProCS is subject to the common control of the shareholders.

The CENIT Group accounts for its investment in CenProCS using the equity method. Under the equity method, the investment in CenProCS is carried in the statement of financial position at cost plus post-acquisition changes in the CENIT Group's share of CenProCS's equity. During formation of the entity, CENIT AG made a cash contribution of EUR 50 k.

The financial statements of CenProCS are prepared with the same end of the reporting period as the financial statements of the CENIT Group. Where necessary, adjustments are made to comply with the Group's uniform accounting policies.

After application of the equity method to the CENIT Group's investment in CenProCS, the parent company determines whether it is necessary to recognize an additional impairment loss on the investment. The Group determines at the end of each reporting period and as the need arises whether there is any objective evidence that the investment in the joint venture is impaired. For example, objective evidence exists in the case of payment difficulties. If this is the case, the Group recognizes the difference between the fair value of the investment in CenProCS and the cost of the investment as an impairment loss in the income statement.

4. Foreign currency translation

The presentation currency is the parent company's functional currency. The functional currency concept is applied to translate the financial statements prepared in foreign currency by the entities included in the basis of consolidation. The functional currency of the group entities is their respective local currency. Financial statements prepared in functional currency are translated to the Group's presentation currency using the modified closing rate method. Assets and liabilities are translated at the closing rate, with equity translated at the historical rate and income and expenses at the annual average rate.

The difference arising from translation of the individual financial statements is recognized directly in equity. A figure of EUR 390 k was recognized directly in equity in the reporting period (prior year: EUR 41 k). When subsidiaries are sold, the exchange differences recognized in equity relating to these entities are released to profit or loss.

Foreign currency transactions are generally translated at the current rate as of the transaction date. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the annual closing rate. Non-monetary items that were measured at their historical cost are translated at the rate of the transaction date, while non-monetary items that were measured at their fair value are translated at the rate which was current at the time the fair value was determined. Differences arising from currency translation at closing rates are recognized in profit or loss. Exchange differences of EUR 444 k overall were recognized in profit or loss in the reporting period (prior year: EUR -177 k).

The following exchange rates were used for currency translation:

in EUR	Closing rate		Annual average rate	
	31 Dec. 2024	31 Dec. 2023	2024	2023
CHF	0.9412	0.9260	0.9526	0.9718
USD	1.0389	1.1050	1.0824	1.0813
RON	4.9743	4.9756	4.9746	4.9467
CNY	7.5833	7.8509	7.7875	7.6600

D Accounting policies

1. Purchased intangible assets with finite useful lives

Purchased intangible assets with finite useful lives (mainly software) are recognized at cost less accumulated amortization and impairment. Amortization of intangible assets not acquired as part of a business combination is performed systematically using the straight-line method over the expected economic useful life, which is generally three years.

In the case of intangible assets acquired for consideration in connection with a business combination (mainly customer bases, software, technologies, bans on competition), the acquisition costs of the intangible assets are equal to their fair value. They are reduced by amortization over the expected useful life using the straight-line method. The useful life is five to twelve years for the identified customer bases and ten years for software and technologies. In the case of a ban on competition, the useful life is determined on the basis of the contractual regulations. CENIT determines the useful life based on the expected period in which cash inflows can be generated from the respective customer base. The useful life of technologies is ten years, while it is one year for the identified order backlog and generally three years for other intangible assets.

2. Purchased intangible assets with indefinite useful lives (goodwill)

Purchased intangible assets with indefinite useful lives (goodwill) are recognized at cost less accumulated impairment. These intangible assets are not amortized. They are tested for impairment at least once a year for the individual asset or at the level of the cash-generating unit. Impairment testing of the goodwill is based on a value in use calculation using cash flow projections based on 5-year financial plans prepared by management (discounted cash flow method).

As in the prior year, there are no intangible assets with indefinite useful lives as of the reporting date except for goodwill.

3. Internally generated intangible assets

Internally generated intangible assets are not capitalized due to non-fulfillment of the cumulative criteria in IAS 38.57. Like costs incurred for research activities, non-capitalizable development costs are also recognized as an expense in the period incurred.

4. Property, plant and equipment

Property, plant and equipment are recognized at cost, net of accumulated straight-line depreciation and/or accumulated impairment losses. Cost comprises expenses directly attributable to the acquisition of the items. Subsequent costs are only recognized in the carrying amount of the asset or as a separate asset if it is probable that future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be reliably measured. Maintenance costs are recorded directly as expenses. Items of property, plant and equipment are depreciated on the basis of their estimated useful lives. The useful life of plant and machinery is three to five years, and five to ten years for furniture and fixtures. Buildings on the Group's premises are depreciated over a period of 33 years, or eight to 15 years for land improvements. Buildings on third-party land (leasehold improvements) are depreciated over the terms of the lease agreements. No material residual values had to be considered when determining the amount of depreciation.

Residual values, depreciation and amortization methods and the useful life of property, plant and equipment and intangible assets are reviewed annually and adjusted if changes take place. A write-down to the recoverable amount is thus performed in accordance with IAS 36.59 if the carrying amount is higher. Any changes required are taken into account prospectively as changes in estimates.

Intangible assets or property, plant and equipment are derecognized either upon disposal or when no further economic benefits are expected from their further use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the period in which the asset is derecognized in the items for other income or other expenses.

An **impairment test** is performed at the end of each reporting period for all intangible assets and property, plant and equipment if events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in profit or loss for items of property, plant and equipment and intangible assets carried at cost.

A reversal of impairment losses recognized in prior years is recorded for assets, with the exception of goodwill, when there is an indication that the impairment losses no longer exist or could have decreased. The reversal is posted as a gain in the income statement. The increased carrying amount cannot exceed the carrying amount that would have been determined, net of amortization or depreciation, if no impairment loss had been recognized for the asset in prior years.

5. Leases

For all leases where the Group is the lessee, CENIT recognizes an asset for the right-of-use asset granted as well as a lease liability on the commencement date. On the commencement date or when a contract containing a lease component is amended, the Group breaks down the contractually agreed consideration based on the relative stand-alone selling prices. The right-of-use asset is initially measured at cost, which corresponds to the initial measurement of the lease liability, adjusted for payments made on or before the commencement date, plus any initial direct costs as well as the estimated cost of dismantling or removing the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is then depreciated from the commencement date to the end of the lease term using the straight-line method, unless ownership of the underlying asset is transferred to the Group at the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In this case, the right-of-use asset is depreciated over the useful life of the underlying asset, which is determined in line with the rules for property, plant and equipment. Additionally, the right-of-use asset is continuously corrected for impairment losses, where necessary, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments outstanding as of the commencement date, discounted using the Group's incremental borrowing rate. To calculate the incremental borrowing rate for matching terms and collateral, CENIT obtains interest rates from external financing sources and makes asset-specific adjustments as necessary.

The lease payments included in the measurement of the lease liability comprise:

– fixed payments, including in-substance fixed payments
– variable lease payments that depend on an index or a(n interest) rate, initially measured using the index or (interest) rate as at the commencement date
– lease payments for a renewal option, if CENIT is reasonably certain that it will exercise this option.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured if the future lease payments change due to a change in an index or (interest) rate, if the Group changes its view of exercising a renewal or termination option or an in-substance fixed lease payment changes. In the statement of financial position, the Group presents right-of-use assets under property, plant and equipment. The lease liabilities are presented in current liabilities or non-current liabilities depending on their remaining term.

CENIT has decided not to recognize right-of-use assets and lease liabilities for leases of low-value assets or short-term leases. The Group recognizes the lease payments linked to those leases as an expense over the term of the lease using the straight-line method.

CENIT did not enter into any leases where the Group is a lessor.

6. Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities include primary financial instruments, such as cash and cash equivalents, trade receivables and trade payables, other loans originated or borrowed and other receivables and liabilities, and derivative financial instruments. Financial liabilities generally give rise to the right to receive settlement in cash or another financial asset. Financial instruments are recognized as soon as CENIT becomes party to the contractual provisions of the financial instrument.

Regular way purchases or sales of financial assets are recognized as of the trading date.

Depending on the Group's business model for controlling the assets and the question whether the contractual cash flows of the financial instruments are solely payments of principal and interest on the principal amount outstanding, the existing financial instruments are classified either 'at amortized cost' (AC), 'at fair value through profit or loss' (FVTPL) or 'at fair value recognized through other comprehensive income' (FVOCI) and measured accordingly.

The fair value corresponds to the market value. If there is no active market, the fair value is calculated using market, cost or income-based measurement methods. Observable inputs are kept as high as possible, while unobservable inputs are kept as low as possible.

The recognition and measurement of financial instruments in the AC and FVTPL categories is explained in detail below, as these categories are materially important for the consolidated financial statements. If there are financial instruments in the FVOCI category, the required disclosures are made in sections E and F.

6.1 Financial instruments measured at amortized cost (AC)

The Group measures financial instruments at amortized cost if both of the following conditions are met:

- The financial asset or the financial liability is held within a business model whose objective is to control assets and
- The contractual terms of the financial asset or financial liability give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets or liabilities at amortized cost are measured using the effective interest rate (EIR) method. Financial assets are subject to impairment. Gains and losses are recognized through profit or loss in the period when the asset or liability is derecognized, modified or impaired.

6.2 Financial instruments measured at fair value through other comprehensive income (FVOCI)

A FVOCI debt instrument is measured at fair value through other comprehensive income if the objective of the company's business model is to hold or sell the financial assets to collect the contractual cash flows and the contractual terms of the financial asset give rise at specific points in time to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

6.3 Financial instruments at fair value through profit or loss (FVTPL)

Financial instruments are classified at fair value through profit or loss if they do not meet all of the criteria for classification at amortized cost (AC) or at fair value through other comprehensive income (FVOCI).

Changes in fair value are recognized in the income statement unless they are part of a hedging relationship. Interest payments on the financial liability are also taken into account.

Gains and losses for which the change in fair value is attributable to a changed default risk for the liability are recognized in other comprehensive income. Future changes do not lead to recognition in the income statement. Instead, they are transferred to revenue reserves when the financial liability is derecognized.

6.4 Derivative financial instruments

Derivative financial instruments are measured at fair value in subsequent periods.

The accounting for fair value changes of hedging instruments depends on the type of hedging relationship. In the case of hedges of the exposure to changes in fair value of items in the statement of financial position (fair value hedges), both the hedging instrument and the hedged risk portion of the hedged item are recognized at fair value. Changes in the measurement of hedging instruments and hedged items are recognized in profit or loss.

In the case of hedges of the exposure to future cash flows (cash flow hedges), the hedging instruments are likewise recognized at fair value. Both the designated effective portion of the hedging instrument and the undesignated effective portion of the hedging instrument are recognized in other comprehensive income in the cash flow hedge reserve. Only when the hedged item is realized are the gains or losses reclassified to the statement of profit or loss. The ineffective portion of the gain or loss on the hedging instrument is recognized immediately in profit or loss.

6.5 Fair value measurement

The measurement of fair value including the corresponding disclosures in the notes is carried out in accordance with the rules in IFRS 13. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The assets and liabilities measured at fair values must be categorized into the three levels of the fair value hierarchy described below, based on the lowest-level input that is significant for the fair value measurement as a whole.

- Level 1: Quoted prices in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted market prices that are observable either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability

In Level 1, fair value is measured using quoted (unadjusted) prices in active markets for identical assets or liabilities that CENIT can access at the measurement date.

In Level 2, fair value is measured using valuation techniques based on information other than quoted prices categorized into Level 1 but that are observable either directly or indirectly.

In Level 3, fair value is measured using valuation techniques that include unobservable inputs.

In the case of assets and liabilities recognized at fair value on a recurring basis in the financial statements, the Group determines whether reclassifications between the hierarchy levels have taken place by examining the classification at the end of each reporting period (based on the lowest-level input that is significant for the fair value measurement as a whole).

7. Trade receivables

Trade receivables are non interest bearing and are recognized at the transaction price less impairment losses due to their short-term nature. Impairment losses are calculated based on the expected credit losses model as defined in IFRS 9. Based on the simplified method used, a loss allowance equal to the amount of the expected loss was recognized for the remaining term of trade receivables and contract assets, regardless of their credit quality. Based on the weighted probability of default and taking into account prospective information, a loss allowance of 1.2% (prior year: 1.2%) was recognized on the receivables as of the end of the reporting period. Because of the economic downturn in our target markets and the resulting financial difficulties of individual customers, management considers that there is still an increased default risk as of 31 December 2024. To account for this risk, a risk markdown of 5.0% (prior year: 5.0%) was recorded on trade receivables past due by more than 90 days, as in 2023. Thanks to CENIT's robust customer structure, there is still no excessive risk of default when receivables are past due by between 30 and 90 days.

8. Contract assets

Unlike trade receivables, contract assets are dependent on the occurrence of a future condition. Impairment losses on contract assets are calculated in line with the same principles as for trade receivables.

9. Cash and cash equivalents

Cash and cash equivalents are cash, checks and on-demand bank balances. These are recognized at nominal value.

10. Lease liabilities

Lease liabilities are recognized at the present value of the outstanding minimum lease payments.

11. Trade payables and other financial liabilities

Trade payables and other financial liabilities are due in the short term and are recognized at nominal value.

12. Liabilities to banks

Interest-bearing bank loans including overdrafts are recognized at the pay-out amount received less the directly allocable issuing costs on the date of initial recognition. Finance costs, including premiums payable on repayment or settlement, are recognized as an interest expense using the effective interest method and increase the carrying amount of the instrument to the extent that it will only lead to the outflow of payments at a date in the future.

13. Impairment losses

IFRS 9 has introduced a model for calculating impairment losses based on expected credit losses.

For cash and cash equivalents, this practical expedient is used for financial instruments with a low credit risk as of the end of the reporting period.

The probabilities of default used to calculate expected credit losses on trade receivables and contract assets comprise individual and constantly updated data regarding counterparty risk, such as the payment history and company and industry data, taking forward-looking assumptions into account. If there is objective evidence that a default event will occur, the individual default risk is taken into account in the impairment loss alongside expected credit losses. Objective evidence includes, for example, significant financial difficulties of the debtor, payment default and delayed payments, downgraded credit rating, insolvency and other observable data that indicate a considerable reduction in expected payments. CENIT checks at the end of each reporting period whether the credit risk of the receivable has changed and adjusts the valuation allowance as necessary.

14. Inventories

The inventories reported are measured at the lower of cost and net realizable value. Costs of conversion are determined on the basis of directly allocable costs. Net realizable value is the estimated sales proceeds less estimated costs of completion and the estimated costs necessary to make the sale.

15. Pension obligations and similar obligations

Pension obligations and similar obligations result from obligations to employees. The contributions to statutory pension insurance are generally classified as defined contribution plans in accordance with IAS 19. The amounts payable in connection with defined contribution plans are expensed as soon as the obligation to pay arises and are reported as personnel expenses. The exception to this rule involves pension commitments at CENIT Switzerland.

The LOB pension plans in place at CENIT Switzerland qualify as defined benefit plans in accordance with IAS 19 due to the statutory minimum interest and conversion rate guarantees. Likewise, the pension payment that the Group must pay in France when an employee enters retirement must be recognized as a defined benefit plan in accordance with IAS 19. The cost of providing benefits under these benefit plans is determined using the projected unit credit method. The plan assets available to cover the pension obligations are offset against the pension obligations in accordance with the rules in IAS 19.

16. Share-based payment

The long-term incentive component of the Management Board contracts has been active since the 2023 reporting period. Pursuant to IFRS 2 Share-based Payment, the arrangement is recognized as cash-settled share-based payment. Accordingly, the fair value of the work carried out by the members of the Management Board as counterperformance for the cash settlement is recognized as an expense and as a liability. The arrangement provides for annual tranches to be measured, on a date 10 trading days after publication of the prior-year results, at the current share price in order to form performance shares. These performance shares are paid out after four years based on the share price then valid and on an EBITA (earnings before interest, tax and amortization) valuation that is calculated for the individual tranche in terms of achievement of the EBITA target in the last planning year based on the EBITA planning for the planning year on the date on which the tranche is granted. The maximum limit for each tranche is 200% paid out through a combination of the share price and the achievement of the EBITA target. For further details on the arrangement, refer to the comments in F17.

17. Provisions

Provisions are reported at the best estimate of the amount required to settle the obligation. They are created for legal or constructive obligations resulting from past events when it is probable that the settlement of the obligation will lead to an outflow of resources and the amount of the obligation can be reliably estimated. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to the provision is presented in the income statement net of any reimbursement. Provisions are discounted where the remaining term is longer than one year. The discount rate chosen is a pre-tax rate that reflects the risks specific to the liability. Discount rate adjustments are recorded as an interest expense.

18. Current tax assets and liabilities

Current tax assets and liabilities for the current and prior periods should be measured at the amount expected to be recovered from or paid to the taxation authorities. The current tax expense is determined on the basis of the taxable income for the year. Taxable income differs from the net profit taken from the consolidated income statement in that it does not include expenses and income that are never taxable or tax deductible or only taxable or tax deductible in later years. The calculation is based on the tax rates and tax laws applicable as of the end of the reporting period.

19. Deferred taxes

Deferred taxes are recorded on temporary differences between the tax base and the carrying amount in the consolidated financial statements according to the balance-sheet-oriented liability method described in IAS 12.

Deferred tax liabilities are recognized in principle for all taxable temporary differences.

Deferred tax assets are recognized in principle for all deductible temporary differences, unused tax losses and unused tax assets to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the unused tax losses and unused tax assets can be utilized. In the case of entities with a history of losses, deferred tax assets on unused tax losses are recognized only if it is probable (>50%) that the unused tax losses can be used in the future in line with the business planning or in the amount at which deferred tax assets were recognized.

The carrying amount of the deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be realized.

Deferred taxes on temporary differences are calculated at the tax rate that is expected to apply for the period when the asset is realized or the liability is settled. Deferred tax assets and deferred tax liabilities are calculated according to the laws and regulations enacted or substantively enacted at the end of the reporting period.

Income tax implications related to the items posted directly to equity are also recorded directly under equity.

Deferred tax assets and deferred tax liabilities are offset if the Group has a legally enforceable right to offset current tax assets and current tax liabilities and these relate to income taxes levied by the same taxation authority on the same taxable entity.

20. Revenue

CENIT generates revenue from the licensing of (standard) software (proprietary software and third-party software), software updates (for proprietary software and third-party software), the provision of IT services as well as the provision of consulting services for the planning, implementation and optimization of business and IT processes. Revenue is also generated from the sale of goods.

At CENIT, the different products are categorized according to the following contract types:

- Royalties – these encompass the revenue from software licenses and software updates
- Sale of services – this encompasses revenue from service and consulting projects
- Sale of goods – this encompasses revenue from hardware sales

20.1 Software licenses

According to IFRS 15.31, revenue recognition as the principal (on a gross basis) or as the agent (on a net basis) depends on the transfer of control of a promised good or service. To the extent that control is not transferred unequivocally from the respective software manufacturers to CENIT, revenue from software licenses is recognized on a net basis.

Royalties from granting temporary licenses – to the extent that the software grants a right to use the intellectual property as of the date of granting the license – and income from the sale of permanent licenses are recognized when the software has been provided to the customer (revenue recognition at a point in time).

Royalties from software as a service are recognized pro rata over the term of rendering the service. Royalties from software as a service are generally charged annually or quarterly in advance. The advance payments received for future services are recognized as contract liabilities.

The average payment term of customers is between five and 60 days after invoicing.

20.2 Software updates

This includes revenue from contracts that grant the customer access to software updates. These updates mainly involve error resolution, improved performance or adjustments to changed framework conditions.

Royalties from software updates are recognized pro rata over the term of rendering the service. Royalties from software updates are generally charged annually or quarterly in advance. The advance payments received for future services are recognized as contract liabilities.

The average payment term of customers is between five and 60 days after invoicing.

20.3 Services (consulting & service)

Revenue from services charged on an hourly basis relates to consulting services, training, application and user support. For these services, revenue recognition generally takes place monthly based on hours worked.

If there are multiple element arrangements that comprise the sale of software licenses and services, these are examined to determine if one or several performance obligations exist. If several performance obligations are identified, the transaction price is allocated in proportion to the relative stand-alone selling prices. CENIT bases its derivation on its own stand-alone selling prices or, if these are not available, on relative stand-alone selling prices for comparable industry transactions. Revenue recognition for the separate performance obligations can take place at a point in time or over time, depending on when the customer has control of the service. In general, performance obligations that involve the sale of software meet the prerequisites for revenue recognition at a point in time. Such contracts mainly relate to orders where CENIT offers integrated consulting, software and after-sales services to the customer as an end-to-end provider.

The average payment term of customers is between five and 60 days after invoicing.

20.4 Fixed-price projects

Income from contracts for which a fixed price was agreed (generally contracts for work in connection with software programming or implementation) is recognized in accordance with the percentage of completion provided that the outcome can be measured reliably. When the outcome can be measured reliably, contract revenue and contract costs associated with the project should be recognized as part of the contract costs incurred for the work in relation to the expected contract costs by reference to the stage of completion of the contract activity at the end of the reporting period. Management came to the conclusion that this constitutes an appropriate measure for the percentage of completion of those performance obligations pursuant to IFRS 15. Changes to contracted work, claims and bonus payments are included to the extent that they are agreed with the customer in writing. If the outcome of a project cannot be measured reliably, contract revenue is recognized only to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognized as expenses in the period in which they are incurred. If it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately. An expected loss is recognized as an expense immediately as soon as this loss is probable.

The average payment term of customers is between five and 60 days after invoicing.

20.5 Merchandise

Revenue from merchandise relates chiefly to the sale of end devices. Sales of merchandise are recognized when the performance obligation has been met through delivery to the purchaser.

The average payment term of customers is between five and 60 days after invoicing.

21. Government grants

Government grants are recognized once there is reasonable assurance that the Group will meet the conditions tied to the grant and receive the grants materially. Income is recognized in the same way as expenses associated with the grants.

22. Dividends and interest income

Dividend income is recognized when the Group’s right to receive the payment is established.

Interest income is recognized as the interest entitlement accrues (using the effective interest method, i.e. the rate used to discount estimated future cash flows over the expected life of the financial instrument to the net carrying amount of the financial asset).

23. Significant accounting judgments, assumptions and estimates

According to the opinion of the Management Board, the following judgments, assumptions and estimates had the most significant effect on the amounts recognized in the consolidated financial statements.

- When recognizing revenue from third-party software licenses, there is a significant judgment in determining whether CENIT is a principal or an agent. The pronouncements from the IFRS IC of December 2021 “Principal versus Agent: Software Reseller (IFRS 15)” indicate that for resellers of standard software, generally the status should be assumed to be that of an agent, and that this could become the practice for software resellers. To the extent that CENIT does not have a comprehensive legal position in terms of control of third-party software licenses, CENIT will recognize revenue on a net basis as the agent. This provides reliable and more relevant information on the impact of the underlying transactions.

- It is not permissible to recognize research costs as assets. Development costs may only be recognized as an asset if all of the conditions for recognition pursuant to IAS 38.57 are satisfied, if the research phase can be clearly distinguished from the development phase and material expenditure can be allocated to the individual project phases without overlap. On account of numerous interdependencies within development projects and uncertainty about whether some products will reach marketability, some of the conditions for recognition pursuant to IAS 38 are not currently satisfied based on CENIT's estimates. Development costs of EUR 11,236 k (prior year: EUR 10,081 k) are consequently not capitalized.

- Assessing the separability of the performance obligations for multiple element arrangements is based on an assessment of whether the different contractual components have a separate value for the customer and can be separated from the other components. It is thus subject to certain discretionary decisions. This assessment is based on the underlying contract and the knowledge on the date of signing the contract. Allocating the transaction price to the different contractual components is likewise subject to certain discretionary decisions. This is particularly relevant for CENIT in relation to the separation of software license services and software update services. CENIT bases such decisions on its own stand-alone selling prices or, if these are not available, on relative stand-alone selling prices for comparable industry transactions.

- In the current macroeconomic environment, there may be increased uncertainty in relation to determining the fair values. Changes in the fair value may have a material impact on CENIT's assets, liabilities, financial position and financial performance.

- Determining the percentage of completion is subject to certain discretionary decisions with regard to estimating the contract costs yet to be incurred. The assessment is based on the knowledge of the actual costs incurred and the expected total costs of the project as of the end of the reporting period. Of the contract assets reported, a figure of EUR 2,115 k (prior year: EUR 520 k) relates to ongoing projects.

- The cost and present value of defined benefit obligations and the corresponding plan assets is determined using actuarial valuations. An actuarial valuation involves making various assumptions that can differ from actual developments in the future. These include the determination of the discount rates, future wage and salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at the end of each reporting period. The net pension obligation is EUR 998 k as of the end of the reporting period (prior year: EUR 855 k).

- The fair value of derivative financial instruments is measured using the respective appropriate actuarial method. The underlying inputs such as volatility, interest rate and cash flow forecasts may deviate from actual future developments. As of the end of the reporting period, non-current assets include a long call option of EUR 2,840 k (prior year: EUR 4,484 k), while other non-current financial liabilities include a short put option of EUR 1,993 k (prior year: EUR 1,767 k) as well as derivatives with a negative market value from interest hedges of EUR 1,204 k.

- When determining provision amounts to be recognized, assumptions must be made on the probability that there will be an outflow of resources. While these assumptions constitute the best estimate of the situation underlying the matter, they are subject to uncertainty because of the necessary use of assumptions. When measuring the provisions, assumptions also have to be made on the amount of the possible outflow of resources. A change in the assumptions can therefore lead to a difference in the amount of the provision. The use of estimates thus also leads to uncertainties here.

- Determining the recoverable amount of the cash-generating units "CORISTO", "KEONYS FR", "ISR", "mip", "PII", "ABC", "CCE" and "AP" for impairment testing of the goodwill is based on inputs such as weighted average cost of capital and value in use. Value in use is calculated using cash flow projections based on 5-year financial plans prepared by management and on the assumption of a long-term growth rate of 1.0% (prior year: 1.0%). The cash flows from the expected revenue are derived from the strategic alignment of the respective business division and the strategy of the CENIT Group using the expected product mix, and the expected cash outflows are calculated based on this. Expectations around future market developments and assumptions concerning the development of macroeconomic factors are also taken into account.

E Income statement

1. Revenue

The breakdown of revenue by business unit and region is presented in the segment reporting in note H. Revenue is also broken down into the following categories:

Breakdown of sales by product/income type

in EUR k	2024	2023
Third-party software (including software updates)	102,592	92,697
CENIT consulting and service	85,337	74,380
CENIT software (including software updates)	19,271	16,788
Merchandise	133	855
Total	**207,333**	**184,720**

Breakdown of sales by contract type

in EUR k		2024	2023
Royalties		**121,862**	**109,485**
	PLM	110,583	100,452
	EIM	11,279	9,033
Sale of goods and services		**82,256**	**72,783**
	PLM	51,430	41,417
	EIM	30,826	31,366
Fixed-price projects		**3,215**	**2,452**
	PLM	3,009	2,452
	EIM	206	0
Total		**207,333**	**184,720**

The revenue results from ordinary activities.

As of the end of the reporting period, there are contract assets (F8) of EUR 2,773 k (prior year: EUR 1,029 k) and contract liabilities (F17) of EUR 20,891 k (prior year: EUR 21,891 k). Contract liabilities of EUR 21,891 k recognized at the beginning of the year are included in full in income (prior year: EUR 18,469 k).

Development of orders

Order intake in the CENIT Group amounted to EUR 230,931 k in the past 2024 reporting period (prior year: EUR 196,084 k). The order backlog as of 31 December 2024 amounted to EUR 81,089 k (prior year: EUR 57,491 k), which corresponds to the overall amount of the transaction price allocated to the unfulfilled performance obligations as of 31 December 2024. Of the order backlog, EUR 81,089 k (prior year: EUR 57,491 k) will be turned into sales within one year.

2. Research and development costs

In 2024, all of the product development was non-project-related, which does not, however, meet the recognition criteria in IAS 38.57. The development costs incurred for the projects of EUR 11,236 k (prior year: EUR 10,081 k) were recognized as an expense in the reporting period.

3. Other income

Other income breaks down as follows:

in EUR k	2024	2023
Income from tax credit	635	166
Income from the cross-charging of marketing and administrative costs	315	462
Income from exchange differences	788	237
Income from the reversal of provisions	542	249
Income from insurance refunds/damages	123	240
Income from the sale of non-current assets	41	526
Income from the sale of CENIT Japan K.K.	0	871
Other income	96	125
Total	**2,540**	**2,876**

The income from exchange differences stemmed in particular from the translation of US dollars and Swiss francs.

The FZulG [“Gesetz zur steuerlichen Förderung von Forschung und Entwicklung” or “Forschungszulagen-gesetz”: German Research Grant Act] dated 14 December 2019 introduced a new research and development subsidy in Germany in the form of a research grant. In order to be entitled to the grant, a company must implement a subsidized research and development project that commenced after 1 January 2020. All research and development projects are eligible to the extent that they can be allocated to one or several of these categories: basic research, industrial research or experimental development. The research grant amounts to 25% of the eligible expenses. The tax credit is taken into account by crediting it to the corporate tax liability or – if it cannot be credited in full – by payment of the receivable. In 2024, CENIT AG, ISR and PII reported income of EUR 188 k from the research grant for 2024 (prior year: EUR 131 k). ISR also reported EUR 431 k in research grants for the assessment years 2020 to 2023.

In France, entities are granted government grants, termed 'research and development tax credit (CIR)'. The R&D tax credit amounts to 30% of the qualifying expenses. These include expenses for basic research as well as applied research and development costs. The tax credit is taken into account by crediting it to the corporate tax liability or – if it cannot be credited in full – by payment of the receivable. In 2024, KEONYS SAS reported income of EUR 12 k from this tax credit (prior year: EUR 35 k) in other income.

4. Cost of materials

This item contains the cost of purchased third-party software of EUR 76,038 k (prior year: EUR 68,225 k) and the cost of purchased services of EUR 9,289 k (prior year: EUR 8,765 k).

5. Personnel expenses

The disclosure essentially relates to salaries, voluntary social benefits, allocations to the provision for vacation, profit participations and Management Board bonuses as well as social security and pension costs.

in EUR k	2024	2023
Wages and salaries	72,944	64,309
Social security and pension costs	15,101	14,279
Total	**88,045**	**78,588**

Pension costs mainly include employer contributions to statutory pension insurance. With the exception of Switzerland, the statutory pension insurance is organized as a defined contribution plan. CENIT also offers its employees in Germany the option of making contributions to a pension trust fund or direct insurance by means of deferred compensation. For these defined contribution plans, the employer does not enter into any obligations. The value of future pension payments is based exclusively on the value of the contributions paid by the employer for the employees to the external welfare provider, including income from the investment of said contributions.

The Swiss LOB pension plans and the pension payments in France are designed as defined benefit plans in accordance with IAS 19. We refer to the comments in note F19.

An annual average (on a quarterly basis) of 959 (prior year: 894) persons were employed by the Group, plus 57 (prior year: 52) trainees.

The number of employees as of the end of the reporting period came to 984 (prior year: 893). 696 (prior year: 670) of those were employed in Germany, 198 (prior year: 189) in other EU countries and 90 (prior year: 34) in other countries.

Personnel expenses comprise termination benefits totaling EUR 360 k (prior year: EUR 771 k). EUR 161 k (prior year: EUR 159 k) are reported under liabilities as of the end of the reporting period, as they did not yet affect cash. In the reporting period, the liabilities include severance payments of EUR 79 k from earlier reporting periods (prior year: EUR 122 k).

6. Amortization of intangible assets and depreciation of property, plant and equipment

Amortization and depreciation is broken down in the statement of changes in non-current assets presented in notes F1 and F2.

7. Other expenses

in EUR k	2024	2023
Repairs and maintenance	3,124	2,761
Legal and consulting fees	4,066	2,538
Premises expenses	1,233	1,166
Motor vehicle costs	1,594	1,477
Advertising costs	1,585	1,103
Telecommunication and office supplies	860	794
Travel expenses	2,359	1,837
Other personnel expenses	426	648
Insurance	623	582
Expenses from exchange losses	345	413
Training	476	385
Rent and lease expenses	724	299
Commission	34	236
Warranties	49	203
Bank charges and fees	93	67
Supervisory Board compensation	210	160
Internal events	125	117
Losses from disposals of assets	0	1
Other	574	597
Total	**18,500**	**15,385**

8. Valuation allowance on trade receivables

The valuation allowance on trade receivables breaks down as follows:

in EUR k	2024	2023
Income from impaired receivables	132	21
Impairment losses on receivables and bad debts	871	246
Total	**-739**	**-225**

9. Interest result

The total interest income and total interest expenses break down as follows:

in EUR k	2024	2023
Interest income from bank deposits	180	150
Total interest income	**180**	**150**
Utilization of credit lines and guarantees	2,304	1,567
Interest expenses from leases	296	227
Interest expenses from unwinding of the discount on accrued liabilities	26	9
Net interest from the measurement of pension obligations	24	27
Total interest expenses	**2,650**	**1,830**
Interest result	**-2,470**	**-1,680**

The rise in finance costs is attributable to the higher financing volume since the middle of the fiscal year 2023 with a related rise in interest. Applying the effective interest method results in a total interest expense of EUR 2,304 k (prior year: EUR 1,567 k) for financial liabilities recognized at amortized cost.

10. Earnings from financial instruments at fair value through profit or loss

Earnings from financial instruments at fair value through profit or loss include the change in value of the short put and long call option in connection with the future acquisition of the remaining interests in ISR Information Products AG amounting to EUR -1,870 k (prior year: EUR -1,280 k) and a write-down of EUR 1,867 k (prior year: write-up of EUR 548 k) on the investment in ASCon Systems Holding GmbH. See also note F4.

11. Income taxes

Income taxes contain German corporate income tax including solidarity surcharge and trade tax. Comparable taxes of foreign subsidiaries are also shown in this item.

Expenses from income taxes break down as follows:

in EUR k	2024	2023
Current tax expense	2,424	2,465
Change in deferred taxes from temporary differences	-1,547	-583
Total	**877**	**1,881**

The current tax expense includes income of EUR 129 k relating to other periods (prior year: EUR 73 k).

Deferred taxes are calculated using the individual company tax rate. These are as follows:

in %	2024	2023
CENIT	31.00	31.00
CENIT CH	27.00	27.00
CENIT NA	24.00	24.00
CENIT RO	16.00	16.00
CORISTO	31.00	31.00
KEONYS FR	25.00	25.00
KEONYS BE	25.00	25.00
KEONYS NL	25.00	25.00
CENIT CN	25.00	25.00
ISR	30.00	30.00
MIP	31.75	31.75
PII	30.00	30.00
ABC	23.00	23.00
CCE	30.00	n/a
AP	26.53	n/a

The expected tax burden on the taxable profit is 31% as of the end of the reporting period (prior year: 31%) and is calculated as follows:

in %	2024	2023
Trade tax at a rate of 430.1% (prior year: 432.0%)	15	15
Corporate income tax	15	15
Solidarity surcharge (5.5% of corporate income tax)	1	1
Effective tax rate	31	31

CENIT thus bases its tax rate on that of CENIT AG, as that company makes the main contribution to the Group's earnings.

The difference between the current tax expense and the theoretical tax expense that would result from a tax rate of 31% (prior year: 31%) for CENIT AG breaks down as follows:

in EUR k	2024	2023
Net profit or loss for the period before taxes (EBT)	1,172	6,805
Theoretical tax expense based on a tax rate of 31% (prior year: 31%)	-363	-2,110
Non-deductible expenses	-730	-441
Tax-free income	283	537
Change in unused tax losses available for use	-84	-24
Expenses relating to other periods	-29	12
Effects of different tax rates within the Group and tax rate changes	-65	124
Other	108	21
Income tax expense according to the consolidated income statement	**-877**	**-1,881**
Tax rate	74.9%	27.6%

The effects of different tax rates within the Group include tax expenses that do not relate to EBT of EUR -112 k (prior year: EUR -117 k).

12. Earnings per share

Earnings per share are calculated in accordance with the rules in IAS 33, Earnings per Share, by dividing the Group's net income or loss by the weighted average number of shares outstanding during the reporting period. Basic earnings per share do not take into account any options; they are calculated by dividing the net income/loss attributable to shares after non-controlling interests by the average number of shares. Earnings per share are diluted if, in addition to ordinary shares, equity instruments are issued from capital stock that could lead to a future increase in the number of shares. Options or warrants are taken into account only if the average share price for the ordinary shares during the reporting period exceeds the strike price of the options or warrants. This effect is calculated and stated accordingly.

The following reflects the underlying amounts used to calculate the basic and diluted earnings per share:

in EUR k	2024	2023
Net profit/loss attributable to ordinary shareholders of the parent	-71	4,496
Weighted average number of ordinary shares used to calculate basic earnings per share	8,367,758	8,367,758

No treasury shares were held as of the end of the reporting period.

There have been no transactions involving ordinary shares or potential ordinary shares between the end of the reporting period and the date of preparing the consolidated financial statements. Based on IAS 33.49, basic and diluted earnings per share total EUR -0.01 (prior year: EUR 0.54), as there were no dilutive effects.

13. Dividends paid and proposed

Declared and paid dividends on ordinary shares during the reporting period:

in EUR k	2023	2022
Dividends for 2023: EUR 0.04 (2022: EUR 0.50)	335	4,184

At the General Meeting of Shareholders on 4 June 2025, the Management Board and the Supervisory Board of CENIT AG will, based on the financing strategy in relation to future business acquisitions, propose that a dividend of EUR 0.04 per share be distributed from CENIT AG's retained earnings.

in EUR k	2024	2023
Dividends for 2024: EUR 0.04 (prior year: EUR 0.04)	335	335

The payment of dividends by CENIT AG to the shareholders does not have any income tax implications for CENIT AG.

F Statement of financial position

1. Intangible assets

Intangible assets developed as follows in 2024:

in EUR k	Software and licenses	Customer base	Goodwill	Total
Cost				
As of 1 January 2024	**10,953**	**21,136**	**34,513**	**66,602**
Exchange differences	0	-38	0	-38
Changes in the basis of consolidation	3,429	12,161	7,452	23,042
Additions	460	0	0	460
Disposals	32	0	0	32
As of 31 December 2024	**14,810**	**33,259**	**41,965**	**90,034**
Accumulated amortization				
As of 1 January 2024	**6,580**	**12,139**	**278**	**18,997**
Exchange differences	33	-7	0	26
Changes in the basis of consolidation	54	0	0	54
Additions	2,160	2,367	0	4,527
Disposals	32	0	0	32
As of 31 December 2024	**8,795**	**14,499**	**278**	**23,572**
Net carrying amounts	**6,015**	**18,760**	**41,687**	**66,462**
Cost				
As of 1 January 2023	**9,116**	**16,877**	**28,041**	**54,034**
Exchange differences	-2	143	0	141
Changes in the basis of consolidation	1,527	4,116	6,472	12,115
Additions	373	0	0	373
Disposals	61	0	0	61
As of 31 December 2023	**10,953**	**21,136**	**34,513**	**66,602**
Accumulated amortization				
As of 1 January 2023	**5,427**	**10,704**	**278**	**16,409**
Exchange differences	1	143	0	143
Changes in the basis of consolidation	125	0	0	125
Additions	1,088	1,293	0	2,381
Disposals	61	0	0	61
As of 31 December 2023	**6,580**	**12,139**	**278**	**18,997**
Net carrying amounts	**4,373**	**8,997**	**34,235**	**47,605**

1.1 Intangible assets from acquisitions

The software from purchase accounting of SPI Numérique SARL (PLM segment) was written off in full in the reporting period. The net carrying amount in the prior year was EUR 50 k.

The acquired goodwill of CORISTO GmbH with a carrying amount of EUR 1,272 k (prior year: EUR 1,272 k) was allocated to the cash-generating unit “CORISTO” to test for impairment.

The customer base of KEONYS SAS identified as part of purchase accounting of the KEONYS Group has a remaining amortization period of four years and six months as of the end of the reporting period. The carrying amount is EUR 1,771 k as of the end of the reporting period (prior year: EUR 2,164 k). The goodwill with a carrying amount of EUR 5,355 k (prior year: EUR 5,355 k) acquired as part of the acquisition was allocated to the cash-generating unit “KEONYS FR” to test for impairment.

The customer base from purchase accounting of SynOpt GmbH has an amortization period of six months as of the end of the reporting period. The carrying amount is EUR 17 k as of the end of the reporting period (prior year: EUR 50 k).

The customer base identified as part of purchase accounting of ISR Information Products AG has a remaining amortization period of four years and five months as of the end of the reporting period. The carrying amount is EUR 2,432 k as of the end of the reporting period (prior year: EUR 2,982 k). The software identified has a remaining amortization period of seven years and five months as of the end of the reporting period and is valued at EUR 1,973 k as of 31 December 2024 (prior year: EUR 2,239 k). The ban on competition identified has a remaining term of five months and a net carrying amount of EUR 54 k as of the end of the reporting period (prior year: EUR 183 k). The other trademark rights are valued at EUR 18 k as of the end of the reporting period (prior year: EUR 51 k) and have a remaining term of between five months and two years and five months. The goodwill with a carrying amount of EUR 21,136 k (prior year: EUR 21,136 k) acquired as part of the acquisition was allocated to the cash-generating unit “ISR” to test for impairment.

The customer base identified as part of purchase accounting of mip has a remaining amortization period of eight years and one month as of the end of the reporting period. The carrying amount is EUR 1,083 k as of the end of the reporting period (prior year: EUR 1,217 k). The benefit from a lease relationship identified has a remaining amortization period of two years and one month as of the end of the reporting period and is valued at EUR 88 k as of 31 December 2024 (prior year: EUR 130 k). The order backlog from purchase accounting of mip reported in the prior year amounting to EUR 146 k was amortized in line with schedule in the fiscal year. The trademark rights are valued at EUR 7 k as of the end of the reporting period (prior year: EUR 13 k) and have a remaining amortization period of one year and one month. The goodwill with a carrying amount of EUR 2,306 k (prior year: EUR 2,306 k) acquired as part of the acquisition was allocated to the cash-generating unit “mip” to test for impairment.

The customer base identified as part of purchase accounting of PII has a remaining amortization period of five years and six months as of the end of the reporting period. The carrying amount is EUR 689 k as of the end of the reporting period (prior year: EUR 814 k). The know-how acquired has a remaining amortization period of eight years and six months as of the end of the reporting period and is valued at EUR 666 k as of 31 December 2024 (prior year: EUR 745 k). The order backlog from purchase accounting of PII reported in the prior year amounting to EUR 90 k was amortized in line with schedule in the fiscal year. The other trademark rights are valued at EUR 6 k as of the end of the reporting period (prior year: EUR 10 k) and have a remaining amortization period of one year and six months. The goodwill with a carrying amount of EUR 2,812 k (prior year: EUR 2,643 k) acquired as part of the acquisition was allocated to the cash-generating unit “PII” to test for impairment.

The customer base identified as part of purchase accounting of ABC has a remaining amortization period of five years and six months as of the end of the reporting period. The carrying amount is EUR 1,404 k as of the end of the reporting period. The order backlog identified has a remaining amortization period of six months and is valued at EUR 66 k on 31 December 2024. The prior-year carrying amounts were based on past experience, as valuation of the assets identified had not been completed as of the date of reporting and was estimated at EUR 1,900 k. The goodwill with a carrying amount of EUR 1,472 k (prior year:

EUR 1,523 k) acquired as part of the acquisition was allocated to the cash-generating unit “ABC” to test for impairment.

The customer base identified as part of purchase accounting of CCE has a remaining amortization period of six years as of the end of the reporting period. The carrying amount is EUR 945 k as of the end of the reporting period. The software identified has a remaining amortization period of four years as of the end of the reporting period and is valued at EUR 5 k as of 31 December 2024. The ban on competition identified has a remaining amortization period of two years and is valued at EUR 93 k as of the end of the reporting period. The know-how acquired has a remaining amortization period of nine years as of the end of the reporting period and is valued at EUR 150 k as of 31 December 2024. The other trademark rights are valued at EUR 18 k as of the end of the reporting period and have a remaining amortization period of two years. The goodwill with a carrying amount of EUR 1,049 k acquired as part of the acquisition was allocated to the cash-generating unit “CCE” to test for impairment.

The assets identified as part of the acquisition of AP have not yet been definitively valued as of the date of reporting. Based on a preliminary valuation, a customer base and an order backlog were identified. The customer base was valued at a preliminary figure of EUR 11,198 k as of the end of the reporting period and has a remaining amortization period of five years and seven months. The order backlog identified had a preliminary carrying amount of EUR 2,048 k as of the end of the reporting period and a remaining amortization period of one year and one month. The goodwill with a carrying amount of EUR 6,285 k acquired as part of the acquisition was allocated to the cash-generating unit “AP” to test for impairment.

1.2. Impairment losses

As far as intangible assets with a finite useful life are concerned, there was no indication in the current 2024 reporting period that the useful life recognized needs to be adjusted.

The Group carried out an annual impairment test for goodwill.

The recoverable amounts of the cash-generating units “CORISTO”, “KEONYS FR”, “ISR”, “mip”, “PII“, “ABC“, “CCE“ and “AP” are determined based on a value in use calculation using cash flow projections based on 5-year financial plans prepared by management. As part of the 5-year financial planning, the revenue is derived from the strategic alignment of the respective business division and the strategy of the CENIT Group using the expected product mix, and the expected costs are calculated from this.

Revenue for the “CORISTO” cash-generating unit is derived based on an annual sales growth in the service area of 3% (prior year: 4%). Costs are modeled based on the assumption of a below-average rate of increase, raising the EBIT margin to around 20% (prior year: 20%).

The basis for deriving the sales forecast for the “KEONYS FR” cash-generating unit is that service and the sale of third-party software will be expanded by 5% annually. In terms of expected costs, management anticipates costs to rise at a lower rate than sales of 4% p.a. on average (prior year: 4% to 5%), leading to a long-term rise in profitability overall.

The basis for deriving the sales forecast for the “ISR” cash-generating unit is that service and the sale of CENIT software in particular will be expanded by 6% on average. In terms of expected costs, management anticipates an annual increase of 5.5% (prior year: 5.5%), leading to a moderate rise in profitability overall.

Similar planning parameters are used for the cash-generating units “mip”, “PII“, “ABC“ and “CCE” as part of the planning. The revenue is derived based on an increase in service sales of roughly 5% to 6% each year (prior year: 5%). Management anticipates expected costs to develop at a slightly below-average rate in a range between 3% and 5%, leading to a moderate rise in profitability overall.

For the cash-generating unit “AP”, the service business is expected to be expanded by more than 10% annually in the next five years. Coupled with a slightly below-average cost development of between 8% and 10%, this development should lead to a long-term rise in profitability.

The discount rate before taxes used for the cash flow projections is 11.66% for “CORISTO” (prior year: 12.31%), 13.22% for “KEONYS FR” (prior year: 11.47%), 11.08% for “ISR” (prior year: 11.75%), 10.67% for “mip” (prior year: 11.30%), 10.29% for “PII” (prior year: 11.19%), 9.77% for “ABC” (prior year: 10.83%), 11.14% for “CCE“ and 11.95% for “AP”. Cash flows after the period of five years are extrapolated using a growth rate of 1% (prior year: 1%) for all cash-generating units. This growth rate is based on a conservative estimate by the Management Board. The test showed that the values in use are higher than the carrying amounts. As a result, there was no indication of a need to recognize an impairment loss since the dates of purchase accounting, and goodwill remains unchanged.

2. Property, plant and equipment

Property, plant and equipment developed as follows in 2024:

in EUR k	Buildings including buildings on third-party land*	Plant and machinery	Furniture and fixtures*	Payments on account on furniture and fixtures	Total
Cost					
As of 1 January 2024	**20,554**	**8,081**	**6,876**	**2**	**35,513**
Exchange differences	32	7	4	0	43
Changes in the basis of consolidation	1,115	79	258	0	1,452
Additions	1,284	625	2,314	1	4,225
Disposals	539	465	1,103	3	2,111
As of 31 December 2024	**22,446**	**8,327**	**8,349**	**0**	**39,122**
Accumulated depreciation					
As of 1 January 2024	**11,334**	**7,157**	**4,034**	**0**	**22,525**
Exchange differences	16	6	4	0	26
Changes in the basis of consolidation	0	46	194	0	240
Additions	3,148	470	1,737	0	5,356
Disposals	214	465	985	0	1,664
As of 31 December 2024	**14,284**	**7,215**	**4,984**	**0**	**26,483**
Net carrying amounts	**8,162**	**1,112**	**3,365**	**0**	**12,639**
Cost					
As of 1 January 2023	**20,032**	**6,958**	**5,848**	**0**	**32,838**
Exchange differences	-9	2	-4	0	-13
Changes in the basis of consolidation	624	485	766	0	1,875
Additions	1,235	677	1,813	2	3,727
Disposals	1,327	40	1,547	0	2,914
As of 31 December 2023	**20,554**	**8,081**	**6,876**	**2**	**35,513**
Accumulated depreciation					
As of 1 January 2023	9,285	6,500	3,681	0	19,466
Exchange differences	4	2	-4	0	3
Changes in the basis of consolidation	126	352	327	0	805
Additions	2,891	342	1,575	0	4,808
Disposals	972	39	1,545	0	2,556
As of 31 December 2023	**11,334**	**7,157**	**4,034**	**0**	**22,525**
Net carrying amounts	**9,220**	**924**	**2,842**	**2**	**12,988**

*This also includes assets from leases. Further details can be found in section I.

3. Investments recognized at equity

CENIT AG holds a share of 33.3% (prior year: 33.3%) in CenProCS AIRliance GmbH, an entity domiciled in Stuttgart. This entity specializes in providing packaged services of its partners, CENIT AG Stuttgart, PROSTEP AG Darmstadt and CS SI LePlessis Robinson, France, in the field of IT, as well as coordinating and marketing said services.

The joint venture listed above is included in these consolidated financial statements using the equity method.

The assets, liabilities and revenue of CenProCS AIRliance GmbH are as follows as of 31 December 2024:

in EUR k	2024	2023
Current assets (thereof cash: EUR 240 k (prior year: EUR 191 k))	5,735	7,477
Current liabilities	5,568	7,309
Equity	**167**	**168**
Revenue	48	48
Total comprehensive income	-1	-1
Carrying amount of the investment	**56**	**58**
Share of profit of the joint venture	-1	-1

4. Non-current other financial assets and non-current financial liabilities

The purchase agreement for the acquisition of ISR Information Products AG already included arrangements for the acquisition of the remaining shares of 25.1%. The agreement comprises two puttable instruments. Firstly, each of the remaining shareholders has the independent right that CENIT must purchase all shares held on the exercise date. From CENIT's perspective, this corresponds to a short put option. This option can only be exercised in the period from 1 April 2026 to 31 March 2029. Secondly, CENIT has the right that the remaining shareholders must sell all of their interests to CENIT. From CENIT's perspective, this corresponds to a long call option. This option can only be exercised in the period from 1 October 2029 to 30 September 2032. The fair value of these options was measured using a Monte Carlo simulation. Future earnings were projected based on historical data (share prices, EBITDAs) of ISR Information Products AG and comparable companies. The point of departure was the fair value of ISR Information Products AG as calculated using cash flow projections based on 5-year financial plans prepared by management (discounted cash flow method).

The value of the short put option was calculated as EUR -1,993 k as of the end of the reporting period (prior year: EUR -1,767 k), while the long call option was valued at EUR 2,840 k (prior year: EUR 4,484 k).

The measurement was classified as Level 3 of the fair value hierarchy based on the inputs of the valuation technique used.

Non-current other financial assets also include the 3.73% (prior year: 3.73%) capital involvement in ASCon Systems Holding GmbH amounting to EUR 1,865 k (prior year: EUR 3,732 k). Because the solution expertise of ASCon Systems Holding GmbH and CENIT overlaps, the two companies want to build a clear lead as PLM experts in the fields of digital twin and real-time data integration, thus driving forward the digital transformation of companies in the areas of manufacturing and Industry 4.0. The fair value of the investment held as a financial asset was derived from market observations and estimates in the 2024 reporting period. Due to the loss of a strategic key account and a difficult economic situation as a result, we assume that the market prices recorded in the prior year will no longer be achievable. The measurement was classified as Level 3 of the fair value hierarchy based on the inputs of the valuation technique used. The valuation led to a write-down of EUR 1,867 k (prior year: write-up of EUR 548 k).

Valuation technique	Significant unobservable inputs	Relationship between significant unobservable inputs and fair value measurement
Market transactions and derived developments in value based on the business result	Taking into account further factors affecting price such as economic situation and market incentive for new investors.	The estimated fair value would rise (fall) if the expected price for the capital shares in ASCon Systems Holding GmbH were higher (lower)

5. Deferred taxes

The recognition and measurement differences determined between the profit in the tax accounts and the financial statements under German commercial law and the adjustments of the financial statements under German commercial law of the consolidated entities to IFRS led to deferred taxes of the following amounts in the following items:

in EUR k	Deferred tax assets		Deferred tax liabilities	
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
Deferred tax assets on unused tax losses	1,127	1,149	0	0
Intangible assets	0	0	6,458	3,594
General valuation allowances	0	0	61	152
Receivables from service agreements	0	0	109	89
Other provisions and accrued liabilities	460	232	0	0
IAS 19 pension obligations	252	214	0	0
Measurement differences of financial instruments	0	0	31	237
Consolidation procedures	13	1	0	0
Total	**1,852**	**1,596**	**6,659**	**4,072**
Netting	-665	-808	-665	-808
Total	**1,187**	**788**	**5,994**	**3,264**

The changes in deferred taxes affected the income statement as follows:

in EUR k	2024	2023
Deferred tax assets on unused tax losses	-129	-274
Intangible assets	1,071	573
Valuation allowances on receivables	91	-64
Receivables from service agreements	-20	-26
Other provisions and accrued liabilities	228	-47
IAS 19 pension obligations	-18	1
On measurement differences of financial instruments	312	401
Consolidation procedures	12	19
Total	**1,547**	**583**

The change in deferred taxes on actuarial income from defined benefit obligations recognized in other comprehensive income and reclassifiable income from cash flow hedges of EUR 55 k (prior year: EUR 381 k) was recognized directly in equity. In addition, deferred tax liabilities of EUR 3,948 k were recognized in other comprehensive income as part of the purchase accounting of companies acquired in the reporting period (prior year: EUR 1,629 k).

As of 31 December 2024, no deferred income tax payables for temporary differences in connection with investments in subsidiaries of EUR 676 k (prior year: EUR 198 k) were recognized, as CENIT is in a position to control the timing of the reversal and the temporary differences are not expected to reverse in the foreseeable future.

As of the end of the reporting period, the unused tax losses for each company were as follows:

in EUR k	2024		2023	
	Unused tax losses	Deferred taxes recognized	Unused tax losses	Deferred taxes recognized
CENIT DE	770	239	0	0
KEONYS FR	2,121	312	3,670	918
CENIT CN	735	37	979	55
CENIT CH	1,157	312	651	176
ABC	37	9	0	0
Total	**4,820**	**1,127**	**5,300**	**1,149**

The deferred taxes are recognized at the amount expected to be utilized within five years. Of the unused tax losses of EUR 4,820 k reported, no deferred tax asset was recognized for an amount of EUR 586 k.

6. Inventories

in EUR k	31 Dec. 2024	31 Dec. 2023
Payments on account	54	44
Merchandise	0	26
Total	**54**	**70**

7. Trade receivables and receivables from investments recognized at equity

Trade receivables comprise receivables from third parties of EUR 33,081 k (prior year: EUR 35,427 k) and receivables from investments recognized at equity of EUR 3,118 k (prior year: EUR 4,307 k).

The age structure of trade receivables and receivables from joint ventures was as follows at the end of the reporting period:

in EUR k	Total	thereof: impaired	thereof: not due as of the end of the reporting period	thereof: past due but not impaired			
				less than 30 days	between 30 and 60 days	between 61 and 90 days	more than 90 days
2024	36,922	723	27,066	5,251	1,803	382	1,697
2023	40,121	386	29,904	5,009	2,245	365	2,212

Valuation allowances on trade receivables and contract assets	in EUR k
As of 31 December 2023	386
Addition (+)/reversal (-)	337
As of 31 December 2024	**723**

A breakdown of receivables by country is as follows:

in EUR k	31 Dec. 2024	31 Dec. 2023
Germany	18,965	19,882
Europe	12,130	18,278
Third countries	5,104	1,575
Total	36,199	39,735

8. Contract assets

As of the end of the reporting period, there are contract assets from ongoing, unbilled projects totaling EUR 2,773 k (prior year: EUR 1,029 k). The contract assets relate first and foremost to CENIT's entitlements to counterperformance for services provided but unbilled as of the end of the reporting period. The contract assets will be reclassified to receivables when the rights become unconditional. This generally happens when the Group issues an invoice to the customer.

9. Other receivables

Other receivables break down as follows:

in EUR k	31 Dec. 2024	31 Dec. 2023
Receivables from staff	8	6
Receivables for social security contributions	25	19
Receivables from deposits	290	317
Receivable from refund from supplier relationships	268	1,091
Total	**591**	**1,433**

Other receivables are all short term, not past due and not impaired. As in the prior year, there are no long-term receivables in the reporting period.

10. Tax receivables

There were no long-term income tax receivables either in the current reporting year or in the prior year.

The short-term current tax receivables of EUR 4,816 k in total (prior year: EUR 3,563 k) relate to claims for prepayments for corporate income tax and trade tax of EUR 2,524 k in total (prior year: EUR 1,876 k), receivables from the VAT prepayment amounting to EUR 914 k (prior year: EUR 865 k) as well as the capitalization of tax credits for research projects in Germany and France of EUR 1,378 k (prior year: EUR 822 k).

11. Cash and cash equivalents

Cash and cash equivalents break down as follows:

in EUR k	31 Dec. 2024	31 Dec. 2023
Bank balances	16,449	24,334
Cash on hand	8	7
Cash in the statement of financial position	16,457	24,341
Cash presented in the statement of cash flows	16,457	24,341

Bank balances earn interest at floating rates based on daily bank deposit rates. The fair value of cash amounts to EUR 16,457 k (prior year: EUR 24,341 k).

The Group has unused credit lines of EUR 32,532 k as of the end of the reporting period (prior year: EUR 2,212 k). This includes a figure of EUR 4,017 k (prior year: EUR 1,611 k) that can be utilized either as a loan or as a guarantee. The Group utilized EUR 1,935 k of this amount as a guarantee as of the end of the reporting period (prior year: EUR 849 k).

12. Other financial assets

Other financial assets break down as follows:

in EUR k	31 Dec. 2024	31 Dec. 2023
Prepaid maintenance fees	10,303	11,753
Prepaid rights of use and car insurance	2,075	2,036
Total	**12,378**	**13,789**

The prepaid maintenance fees involve prepayments by the CENIT Group that will be recorded as expenses in subsequent periods.

13. Equity

Subscribed capital

Since the resolution adopted on 13 June 2006 to increase capital from company funds and entry in the commercial register on 14 August 2006, the capital stock (issued capital) of CENIT AG amounts to EUR 8,367,758.00 and is fully paid in. It is split into 8,367,758 no-par value shares of EUR 1.00 each (prior year: 8,367,758 no-par value shares of EUR 1.00 each). The shares are bearer shares and are no-par value common shares only.

CENIT AG still holds no treasury shares.

Authorized capital

The Management Board is authorized, with the approval of the Supervisory Board, to increase the capital stock of the Company by up to EUR 1,673,551.00 in total by 5 June 2029 by issuing, on one or more occasions, up to 1,673,551 new no-par value bearer shares in total (authorized capital 2024). The shareholders must be given a subscription right. The new shares can also be assumed by one or several financial institutions or equivalent companies pursuant to Sec. 186 (5) Sentence 1 AktG with the obligation of offering them to the shareholders for subscription. However, the Management Board is authorized, with the approval of the Supervisory Board, to preclude the shareholders' subscription right in particular

- for fractional shares,
- to acquire contributions in kind for the purpose of acquiring companies, parts of companies or equity investments in companies or to acquire other assets or to perform business combinations,
- if a capital increase in return for cash contributions does not exceed 10% of the capital stock and the issue price is not significantly lower than the stock exchange price (Sec. 186 (3) Sentence 4 AktG); when using this authorization precluding shareholders' subscription right pursuant to Sec. 186 (3) Sentence 4 AktG, the preclusion of the subscription right based on other authorizations pursuant to Sec. 186 (3) Sentence 4 AktG must be taken into account.

The Management Board is authorized, with the approval of the Supervisory Board, to decide on the further details for performing capital increases from authorized capital. The Supervisory Board is authorized to change the version of the articles of incorporation and bylaws in accordance with the performance of the increase in capital stock by exercising authorized capital and after the authorization deadline has expired.

Notes on the components of equity

The capital reserves contain the share premium realized from issuing shares of the parent company in excess of their nominal value. If the legal reserve and the capital reserves pursuant to Sec. 272 (2) Nos. 1 to 3 HGB together do not exceed a tenth of the capital stock or any higher amount stipulated in the articles of incorporation and bylaws, they may only be used in accordance with Sec. 150 AktG ["Aktiengesetz":

German Stock Corporation Act] to offset a net loss for the year or a loss carryforward that is not covered by net income for the year or a profit carryforward respectively, and cannot be offset by releasing other revenue reserves.

Other revenue reserves and the legal reserve pursuant to Sec. 150 AktG contain the profits transferred to reserves as well as the amounts recognized in the revaluation reserve without affecting income.

The currency translation reserve contains the net differences resulting from translation of the subsidiaries' financial statements to the Group's functional currency that are offset against equity.

As of the end of the reporting period, there are total non-controlling interests of EUR 7,129 k in equity amounting to EUR 49,302 k. The non-controlling interests are held on the one hand by private individuals, with 25.1% in ISR Information Products AG, and on the other hand by holding companies, with 40% in ACTIVE BUSINESS CONSULT Informationstechnologie GmbH and 40% in Analysis Prime, LLC. Non-controlling interests include the share of profit of EUR 366 k allocable to shareholders without controlling interests (prior year: EUR 493 k). While belonging to the Group, the companies with minority interests generated revenue of EUR 42,589 k in total in 2024 (prior year: EUR 30,009 k) with net income for the year of EUR 1,916 k (prior year: EUR 2,020 k). At EUR -202 k (prior year: EUR 390 k), the share of the Group's cash flow is immaterial. The shareholder meetings of those companies have not yet passed a resolution on the appropriation of the profit for the 2024 reporting period.

14. Liabilities from leases

The lease liabilities are due as follows:

in EUR k	Future minimum lease payments	Interest payments	Present value
Less than one year	4,369	217	4,152
Between one and five years	6,208	271	5,937
More than five years	575	17	558
Total	**11,152**	**505**	**10,647**

15. Current income tax liabilities and other provisions

The current income tax liabilities developed as follows:

in EUR k	2024	2023
As of 1 January	1,183	558
Utilization	1,152	-146
Addition from changes in the basis of consolidation	25	216
Reversal	0	-48
Addition	774	603
As of 31 December 2024	**830**	**1,183**

The other provisions cover all identifiable obligations to third parties in accordance with IAS 37. They developed as follows:

in EUR k	General Meeting of Shareholders	Personnel provisions, not fixed
As of 1 January 2024	**57**	**95**
Utilization	57	95
Reversal	0	0
Addition	65	0
As of 31 December 2024	**65**	**0**
of which long-term	0	0
of which short-term	65	0

The provisions will mainly be used in the following reporting period.16. Trade payables and liabilities to investments recognized at equity

The liabilities are subject to customary retentions of title to the delivered goods.

in EUR k	31 Dec. 2024	31 Dec. 2023
Trade payables	9,859	13,201
Liabilities to investments recognized at equity	33	27
Total	**9,892**	**13,229**

Of the total liabilities, EUR 9,892 k is due within one year (prior year: EUR 13,229 k). These are not subject to interest.

17. Other liabilities

Other current liabilities break down as follows:

in EUR k	31 Dec. 2024	31 Dec. 2023
Vacation and bonus entitlements	6,833	7,342
VAT/wage tax payables	3,284	3,226
Outstanding purchase invoices	1,317	1,408
Purchase price liabilities for acquisitions of investments	503	1,267
Liabilities for social security	1,146	687
Personnel adjustment measures	239	285
'Altersteilzeit' (special German phased retirement scheme) entitlements	91	246
Employer's liability insurance, compensatory levy in lieu of employing severely disabled persons	70	82
Financial statements costs	307	235
Long-service awards	57	60
Travel cost liability for employees	81	72
Supervisory Board compensation	219	153
Individual warranty cases	0	229
Potential losses from pending transactions	425	0
Customer refund entitlements	354	174
Other	404	321
Total	**15,330**	**15,787**

Other non-current liabilities break down as follows:

in EUR k	31 Dec. 2024	31 Dec. 2023
Long-service awards	616	442
Long-term Management Board remuneration	217	247
Archiving costs	71	66
Total	**904**	**755**

The long-service awards total EUR 673 k (prior year: EUR 502 k). Of this figure, EUR 616 k (prior year: EUR 442 k) is reported in non-current and EUR 57 k (prior year: EUR 60 k) in current other liabilities. There are no written commitments to the employees for the long-service awards. These were recognized as liabilities on account of the payment method and the resulting indication of company practice.

Long-term Management Board remuneration comprises a performance stock arrangement of EUR 217 k (prior year: EUR 247 k). The performance stock arrangement was valued as of 31 December 2024 based on the following parameters:

2023 tranche	31 Dec. 2024	31 Dec. 2023
Issue date	17 Apr. 2023	17 Apr. 2023
Average share price as of the issue date in EUR	13.37	13.37
Term		
Total term in years	4	4
Remaining term on 31 Dec. in years	2.3	3.3
Minimum term		
Total term in years	4	4
Remaining term on 31 Dec. in years	2.3	3.3
Share price on the valuation date in EUR	7.65	13.00
Implied volatility	39%	45%
Fair value per performance share on 31 Dec. in EUR	9.49	16.51

2024 tranche	31 Dec. 2024
Issue date	15 Apr. 2024
Average share price as of the issue date in EUR	12.70
Term	
Total term in years	4
Remaining term on 31 Dec. in years	3.3
Minimum term	
Total term in years	4
Remaining term on 31 Dec. in years	3.3
Share price on the valuation date in EUR	7.65
Implied volatility	39%
Fair value per performance share on 31 Dec. in EUR	3.19

The number of virtual performance shares results initially from the quotient of the target amount per year at the closing rate after publication of the annual report; it is increased each year by the rate of EBITA increase. The number of virtual performance shares for the 2023 tranche is 14,965 (prior year: 14,965) and for the 2024 trance is 23,633. A total of EUR 30 k was therefore recognized as income for share-based payments in the reporting period (prior year: EUR 247 k recognized as an expense).

18. Contract liabilities

Contract liabilities break down as follows:

in EUR k	31 Dec. 2024	31 Dec. 2023
Deferred maintenance income and royalties	15,241	14,652
Payments on account received	5,650	7,239
Contract liabilities	**20,891**	**21,891**

The deferred maintenance fees and royalties involve pre-billed services for the 2024 period that will not be recorded as income until the following year. In the reporting period, an amount of EUR 21,891 k deferred in the prior year was collected as revenue.

19. Pension obligations

Defined contribution plans

The Group offers all employees in Germany and Austria with an unterminated and permanent employment relationship the possibility to participate in an employer-funded pension scheme. CENIT voluntarily pays, with a right of revocation, a pre-defined fixed amount each month into a defined contribution pension insurance policy of an insurance firm. This resulted in expenses of EUR 247 k for CENIT in the reporting period (prior year: EUR 222 k). In addition, employer contributions to statutory pension insurance in Germany totaling EUR 4,487 k were paid in the reporting period (prior year: EUR 4,058 k).

Defined benefit plans

Companies in Switzerland must grant their employees minimum old-age pension payments, and the pension plan payments often exceed the statutory minimum payments. Although the future pension payments depend in principle on the contributions saved, including the interest on the retirement assets, there is a residual risk for a company that it will in future have to make further contributions to the pension plan for service periods already worked by the employee. This is on account of the guarantees contained in pension law. These guarantees relate among other things to the minimum interest on retirement assets in the statutory field, the balance of retirement assets and the (minimum) conversion rate. Together with the remedial duty in the event of a (potential) shortfall in the pension plan, these guarantees mean that LOB old-age pensions in Switzerland are classified as defined benefit plans in accordance with IAS 19 and are presented accordingly in the statement of financial position. Actuarial gains and losses are recognized in other comprehensive income taking into account deferred taxes.

In France, the statutory basic pension is supplemented by obligatory additional pensions which, like the basic pension, are financed using the cost sharing method. If an employee decides to enter retirement, he or she receives a pension payment from the employer. The amount is variable, but is based on the number of years of service and amounts to between one and six months' salary.

The total obligation recognized in the statement of financial position from the defined benefit plans relates only to employees still working and is as follows:

in EUR k	2024	2023
Present value of the defined benefit obligation	4,173	3,937
Fair value of plan assets	3,175	3,082
Benefit liability	**998**	**855**

The net liability developed as follows:

in EUR k	2024	2023
Net liability as of 1 January	855	844
Net income/expense recognized	101	154
Contributions by the employer	-165	-157
Actuarial gains	208	15
thereof from changes in estimates	*98*	*138*
thereof from experience adjustments	*-10*	*-122*
thereof from return on plan assets	*120*	*-2*
Net foreign exchange difference	-1	1
Net liability as of 31 December	**998**	**855**

Changes in the present value of the defined benefit obligation are as follows:

in EUR k	2024	2023
Present value of defined benefit obligation as of 1 January	3,938	5,257
Current service cost	78	144
Interest expense	70	110
Contributions by plan participants	165	157
Actuarial gains/losses	88	17
thereof from changes in estimates	*98*	*138*
thereof from experience adjustments	*-10*	*-122*
Benefits paid/reimbursed	-117	-1,932
Past service cost	0	-18
Net foreign exchange difference	-49	203
Present value of defined benefit obligation as of 31 December	4,173	3,938

The benefits reimbursed of EUR 117 k fell due on account of employees in Switzerland leaving the Group (prior year: EUR 1,932 k).
The weighted average duration of the obligations is 11.30 years (prior year: 11.97 years).
The changes in fair value of the plan assets are as follows:

in EUR k	2024	2023
Fair value of plan assets as of 1 January	3,083	4,413
Expected return on plan assets	47	82
Actuarial gains/losses	-120	2
thereof from return on plan assets	*-120*	*2*
Contributions by the employer	165	157
Contributions by plan participants	165	157
Benefits paid/reimbursed	-117	-1,932
Net foreign exchange difference	-48	204
Fair value of plan assets as of 31 December	3,175	3,083

All of the plan assets come from the insurance credit from the insurance contracts. Consequently, there are no special risks from plan assets. The total return expected on plan assets is calculated on the basis of past experience. This is reflected in the principal assumptions (see below). The actual losses on plan assets came to EUR 72 k in total (prior year: income of EUR 84 k).

in EUR k	2024	2023
Current service cost	78	144
Interest expense	70	110
Expected return on plan assets	-47	-82
Past service cost	0	-18
Net benefit expense	**101**	**154**

The Group expects to contribute EUR 186 k in total to its defined benefit pension plans in the 2025 reporting period.

The principal assumptions used in determining the pension obligation of CENIT CH are shown below:

%	2024	2023
Discount rate	1.0	1.5
Expected return on plan assets	1.5	1.5
Anticipated rate of salary increase	1.0	1.0
Lump-sum payment	50	50
Probability of reaching retirement	20% each in the last 5 years before retirement	20% each in the last 5 years before retirement
Average rate of employee turnover	15	15
Mortality	BVG 2020	BVG 2020

The following basic assumptions were made for the pension obligation of KEONYS FR:

%	2024	2023
Discount rate	3.38	3.16
Anticipated rate of salary increase	1.5	1.5
Average rate of employee turnover	9	9
Mortality	INSEE 2021	INSEE 2021

The authoritative actuarial assumptions used to calculate the defined benefit obligation are the discount rate and the rate of salary increase. The sensitivity analyses presented below were carried out on the basis of the changes in the respective assumptions as of the end of the reporting period that are reasonably possible, with the other assumptions remaining unchanged in each case.

In the case of the obligations of CENIT CH of EUR 3,314 k (prior year: EUR 3,087 k), if the discount rate were to go up by 0.5% or down by 0.5%, the obligation would decrease by 3.4% (prior year: 3.3%) and increase by 3.8% (prior year: 3.6%) respectively. If the rate of salary increase were to rise by 0.5% or drop by 0.5%, the obligation would increase by 0.2% (prior year: 0.3%) or fall by 0.2% (prior year: 0.2%) respectively.

In the case of the obligations of KEONYS FR of EUR 859 k (prior year: EUR 850 k), if the discount rate were to go up by 0.5% or down by 0.5%, the obligation would decrease by 3.98% (prior year: 4.01%) and increase by 4.25% (prior year: 4.29%) respectively. If the rate of salary increase were to rise by 0.5% or drop by 0.5%, the obligation would increase by 4.43% (prior year: 4.48%) or fall by 4.19% (prior year: 4.23%) respectively.

20. Financial risk management objectives and policies

The Group's principal financial instruments comprise trade receivables, receivables from joint ventures as well as cash and cash equivalents, bank loans and trade payables. The main purpose of these financial instruments is to finance the Group's business activities and the Group's inorganic growth.

The Group assesses the concentration of risk for trade receivables and contract assets as low, as the customers are located in different countries, belong to different industries and operate on markets that are generally independent of each other. There are no significant differences between the carrying amount and fair value of receivables and liabilities due to their short term.

The Group is exposed to credit, counterparty and liquidity risks as well as interest and exchange rate fluctuations in the course of its operations. The Group's risk management system, which is presented in detail in the management report, also covers the financial risks.

20.1 Credit or counterparty risk

The Group obtains credit ratings from external agencies before accepting a new customer in order to assess the creditworthiness of prospective customers and define their credit limits.

Credit ratings for major new customers are made by Creditreform e.V. For new and existing customers, the credit risk is reduced among other things by issuing invoices for down payments. The payment behavior of existing customers is analyzed on a constant basis. In addition, the credit risk is controlled using limits for each contractual party, which are examined annually.

No credit rating is carried out for contracts won by our contractual partners, since this is already done at contractual partner level.

In addition, receivables balances are monitored by us on an ongoing basis, with the result that the Group's exposure to risk of default is not significant.

As we do not conclude any general netting agreements with our customers, the sum of the amounts reported under assets also represents the maximum credit risk. There are no identifiable concentrations of credit risk from business relationships with single debtors or groups of debtors. With respect to the other financial assets of the Group, such as cash, the Group's maximum exposure to credit risk arising from default of the counterparty is equal to the carrying amount of these instruments.

Apart from customary retention of title, the Group does not have any collateral or other credit enhancement measures that would reduce this default risk.

20.2 Currency risk

The currency risk exposure mainly arises where receivables or liabilities exist or will be generated in the ordinary course of business in a currency other than the local currency of the Company.

In addition, there are currency risks from domestic bank balances denominated in USD. The resulting risks amount to EUR 1 k (prior year: EUR 42 k) with a total volume of USD 9 k (prior year: USD 460 k) and a change of +/- 10%. The risk from cash on hand is considered immaterial on the whole.

There are no other risks from foreign currencies.

20.3 Interest rate risk

The Group is exposed to risk from changes in market interest rates due to its bank loans with floating interest rates. CENIT is countering this risk by using derivative financial instruments to hedge exposure to interest rates. The fixed payer interest swaps entered into in the prior year have a nominal value of

EUR 32,174 k (prior year: EUR 40,000 k) with a fixed interest rate of 3.46% and a term up until 30 June 2029. By using derivative financial instruments, 80% of the floating interest rate bank loans is secured. The impact of an interest rate change of +1%/-1% on the unsecured portion would be immaterial at EUR 70 k. CENIT's hedging instruments and the bank loans are based on the same hedged risk, the interest rate change risk of the EURIBOR. As in the prior year, the interest hedging instruments are recognized as cash flow hedges applying the rules accounting for hedging relationships pursuant to IFRS 9.

The discount rate is a key assumption when determining the pension obligations. The impact of a change in the discount rate is presented in section F19.

The CENIT Group's policy is to manage its interest income using floating-rate investments. The Group uses financial instruments where necessary to achieve this goal.

20.3.1 Hedge accounting

The gains and losses from cash flow hedges developed as follows in the reporting period:

EUR k	2024	2023
Net income (statement of comprehensive income) from fair value changes of hedging instruments within hedge accounting	**107**	**-1,163**
Recognized in other comprehensive income in the cash flow hedge reserve	8	-1,212
Reclassification from the cash flow hedge reserve to the income statement due to realization of the hedged item	99	49

Deferred tax assets of EUR 3 k were reversed on the changes in the cash flow hedge reserve reported in the table (prior year: deferred tax assets of EUR 376 k were recognized).

The gain or loss from changes in the fair value of hedging instruments within hedge accounting forms the basis for calculating hedge ineffectiveness. The ineffective portion of a cash flow hedge comprises the income and expenses from changes in the fair value of the hedging instrument that are not caused by changes to the hedged risk or that exceed changes in the fair value of the hedged item. The ineffectiveness within a hedging relationship is caused by differences in the key terms and conditions between the hedging instrument and the hedged item. There was no ineffectiveness in the 2024 reporting period.

20.3.1.1 Notes on the hedging transactions

in EUR k	Nominal volume	Financial liabilities	Fair value changes
Interest swaps to hedge against the interest rate risk	32,174	1,204	8

The change in fair value to calculate hedge ineffectiveness corresponds to the change in fair value of the designated components.

The remaining terms of the nominal amounts of the hedging instruments are as follows:

in EUR k	Remaining term			Nominal volume in total
	Less than one year	Between one and	More than five years	
Interest swaps to hedge against the interest rate risk	5,217	26,957	0	32,174

The terms of the hedging instruments mostly correspond to the expected terms of the hedged items.

Measurement is carried out by banks based on market data on the measurement date and using generally accepted measurement models. Swap rates (REUTERS, 31 December 2024, 5pm) are used to generate a zero rate curve using customary bootstrapping procedures.

20.3.1.2 Notes on the hedged items

The nominal amounts of the hedging instruments shown above mostly correspond to the hedged nominal value components of the hedged items. This means that 80% of the financing volume is hedged in total and accounted for in accordance with the rules on hedge accounting.

20.3.1.3 Development of the cash flow hedge reserve

When accounting for cash flow hedges, the designated effective changes in the fair value of the hedging instruments must be recognized in other comprehensive income in the cash flow hedge reserve. Reclassification to the income statement takes place when hedging floating interest rate loans as soon as the hedged future interest payments have an effect on the income statement. The amounts are reported in the financial result. All further changes in the fair value of the designated and undesignated components are recognized in profit or loss as hedge ineffectiveness.

Development of the cash flow hedge reserve	2024
As of 1 January	**-1,212**
Recognized in other comprehensive income in the cash flow hedge reserve	8
Reclassification from the cash flow hedge reserve to the income statement due to realization of the hedged item	0
As of 31 December	**-1,204**

20.3.1.4 Methods for monitoring hedge effectiveness

Hedge effectiveness is assessed using the critical terms match method. This method is based on a comparison of the key terms and conditions of the hedging instrument and the hedged item. By using the same amount and term for both helps in particular to ensure that the hedged item and hedging instrument are in balance and to avoid hedge ineffectiveness.

20.4 Liquidity risk

The Group needs sufficient liquidity to meet its financial obligations. Liquidity risks generally also arise from the possibility that customers may not be able to settle obligations to the Group under normal trading conditions. The Group manages liquidity risk by maintaining adequate reserves, credit lines from banks and by constantly monitoring forecast and actual cash flows and reconciling the maturity profiles of financial assets and liabilities. The credit rating of the Group allows sufficient cash to be procured. Moreover, the Group has lines of credit that have not yet been used.

The non-current liabilities to banks of EUR 39,166 k reported in the statement of financial position have a fixed term of three years and can be extended twice by one year subject to the agreement of the banks. The six-monthly repayments increase CENIT’s liquidity risk and are taken into account as part of CENIT’s liquidity planning.

The puttable instruments described in F4 for the acquisition of the remaining shares in ISR Information Products AG lead to a cash outflow as of the exercise date and are therefore taken into account in CENIT's liquidity planning.

20.5 Capital management

The primary objective of the Group's capital management is to ensure that it can demonstrate a strong credit rating and a high equity ratio in order to support its business and maximize shareholder value. In addition, the equity ratio is part of the covenants to which CENIT has agreed vis-à-vis the bank syndicate. The external financing requires an equity ratio of 20% as well as a maximum net debt ratio (net debt in relation to EBITDA) of 2.5. The covenants were met in the reporting period.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group can adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made to the objectives, policies and processes as of 31 December 2024 and 31 December 2023.

The indicators relevant for the Group are as follows:

in EUR k	31 Dec. 2024	31 Dec. 2023
Total assets	158,317	153,615
Equity	49,302	45,003
Equity as a percentage of total assets (%)	**31.1**	**29.3**
Net debt	34,457	24,177
EBITDA	17,261	16,408
Net debt ratio	**2.0**	**1.5**

21. Liabilities to banks

To improve the financing structure, the Group converted the existing loan into a syndicated loan in the fiscal year and secured further credit lines for future acquisitions. The syndicated loan has a nominal value of EUR 40,000 k as of the end of the reporting period and has an initial term of three years that can be extended twice by a further year subject to the agreement of the bank syndicate. The borrowing rate for this financing is calculated based on the 3-month EURIBOR, which is at least 0%, plus a mark-up. The interest hedging instruments entered into in the prior year were retained. As of the reporting date, they cover 80% of the financing volume with an approximately equivalent term. The further lines of credit referred to above are two further revolving loans of EUR 15,000 k each, which CENIT can access at any time. Guarantee declarations were submitted by individual group companies for this loan.

Additionally, the Group has credit lines to guarantee the liquidity needed for business operations at all times. As of the end of the reporting period, EUR 1,101 k of those credit lines had been used.

22. Financial instruments

The table below shows the carrying amounts and fair values of all of the Group's financial instruments included in the consolidated financial statements.

in EUR k	Classification	Carrying amount 2024	Carrying amount 2023	Fair value 2024	Fair value 2023
Financial assets					
Non-current other financial assets	FVTPL	4,705	8,216	4,705	8,216
Cash and cash equivalents	AC	16,457	24,341	16,457	24,341
Receivables		36,790	41,168	36,790	41,168
thereof:					
• Trade receivables	AC	33,081	35,427	33,081	35,427
• Receivables from investees	AC	3,118	4,307	3,118	4,307
• Other receivables	AC	591	1,433	591	1,433
Contract assets	AC	2,773	1,029	2,773	1,029
Current other financial assets	AC	12,378	13,789	12,378	13,789
		73,103	88,543	73,103	88,543
Financial liabilities					
• Liabilities to banks	AC	40,267	37,409	40,267	37,409
• Trade payables	AC	9,859	13,201	9,859	13,201
• Liabilities to investments recognized at equity	AC	33	27	33	27
• Derivatives with a negative market value	FVOCI	1,204	1,212	1,204	1,212
• Other non-current financial liabilities	FVTPL	1,993	1,767	1,993	1,767
• Non-current and current lease liabilities	AC	10,647	11,109	10,647	11,109
• Other liabilities					
• Outstanding purchase invoices	AC	1,317	1,408	1,317	1,408
Contract liabilities	AC	20,891	21,891	20,891	21,891
		86,211	88,024	86,211	88,024

The fair value of the financial assets and financial liabilities corresponds to their carrying amount at amortized cost because, with the exception of lease liabilities, they are current assets and liabilities only. With reference to IFRS 7.29 (d), the fair values of the lease liabilities are not disclosed. The fair value of non-current financial assets and liabilities measured at fair value results from the observable prices on the market or from unobservable inputs of the valuation technique used as Level 3 in the fair value hierarchy. The valuation technique used is described in section F4.

G Statement of cash flows

The statement of cash flows shows how the cash and cash equivalents of the CENIT Group changed during the course of the reporting period and the prior year as a result of cash inflows and outflows. Cash flows were broken down into cash flow from operating, investing and financing activities in accordance with IAS 7. The amounts reported from foreign entities are generally translated at the annual average rates. However, as in the statement of financial position, liquidity is reported at the closing rate. The effects of exchange rate changes on cash are shown separately if they are material.

The cash flow from investing activities and financing activities is determined directly on the basis of payments made or received. The cash flow from operating activities, on the other hand, is derived indirectly from the Group’s net income or loss for the year. When performing the indirect calculation, changes in items in the statement of financial position considered in connection with operating activities are adjusted for effects from currency translation and changes in the basis of consolidation. There are therefore differences compared to changes in the relevant items in the consolidated statement of financial position.

Investments in property, plant and equipment and intangible fixed assets and financial assets are included in the cash outflow from investing activities.

Only assets that can be readily converted into cash without significant deductions and that are subject to minor fluctuations in value are included in cash and cash equivalents.

Cash and cash equivalents include all cash and cash equivalents reported in the statement of financial position (F10) provided they have an original maturity of less than three months, as well as overdrafts repayable on demand.

The cash paid for the purchase of shares in fully consolidated entities (net cash outflow) of EUR 14,792 k (prior year: EUR 7,984 k), which is reported in the cash flow from investing activities, stems from the acquisitions of CCE and AP as well as a purchase price back payment of PII. The purchase prices were EUR 15,605 k plus incidental acquisition costs of EUR 1,116 k, of which EUR 16,376 k already affected cash. Net of cash and cash equivalents acquired amounting to EUR 1,584 k, this results in a cash outflow of EUR 14,792 k.

Reconciliation of the movements in liabilities to cash flows from financing activities

in EUR k	Lease liability 2024	Lease liability 2023
Balance as of 1 January	**11,109**	**11,493**
Change in cash flows from financing activities		
Cash paid for lease liabilities	-4,636	-4,156
Overall change in cash flows from financing activities	**-4,636**	**-4,156**
Increase in obligation from new leases	3,161	2,719
Change in existing leases	-399	-11
Change to basis of consolidation	1,115	837
Interest expense	297	227
Total non-cash other changes	**4,174**	**3,772**
Balance as of 31 December	10,647	11,109

H Segment reporting

Pursuant to IFRS 8, business segments must be demarcated based on the internal reporting from group divisions that are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

For management purposes, the Group is organized into business units based on its products and services, and has two reportable operating segments as follows:

- EIM (Enterprise Information Management)
- PLM (Product Lifecycle Management)

The presentation is based on internal reporting.

The PLM (Product Lifecycle Management) segment focuses on industrial customers and the corresponding technologies. Its industry focus is on the automotive, aerospace, mechanical engineering and shipbuilding industries. Special emphasis is placed on products and services in product lifecycle management, such as CATIA from Dassault Systèmes or SAP, and internally developed software such as cenitCONNECT and FASTSUITE. The Enterprise Information Management (EIM) segment focuses on the customer segment of trade and commerce, banks, insurance firms and utilities. The focus here is on products of the strategic software partner IBM and internally developed software and consultancy services in the fields of document management and business intelligence.

SEGMENT REPORTING					
in EUR k		EIM	PLM	Reconciliation	Group
External revenue	2024	42,311	165,022	0	207,333
	2023	40,399	144,321	0	184,720
EBIT	2024	4,428	2,953	0	7,381
	2023	3,741	5,477	0	9,218
Other interest result and financial result	2024	0	0	-6,209	-6,209
	2023	0	0	-2,413	-2,413
Income taxes	2024	0	0	-877	-877
	2023	0	0	-1,882	-1,882
Net income of the Group for the year	2024	4,428	2,953	-7,086	295
	2023	3,741	5,543	-4,295	4,989
Segment assets	2024	50,105	85,752	22,460	158,317
	2023	56,873	68,050	28,692	153,615
Segment liabilities	2024	19,796	39,998	49,222	109,016
	2023	23,047	41,502	44,063	108,612
Investments in property, plant and equipment and intangible assets	2024	1,634	2,998	0	4,632
	2023	1,616	2,485	0	4,101
Amortization and depreciation	2024	3,384	6,498	0	9,882
	2023	3,264	3,926	0	7,190
EIM = Enterprise Information Management; PLM = Product Lifecycle Management					

In the segmentation by business unit and by region, those financial assets and tax reimbursement rights as well as current and deferred income tax liabilities and other liabilities are disclosed in the "Reconciliation" column for segment assets and segment liabilities respectively that could not be attributed to the respective business units.

The segmentation by region is based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of the respective group company of the individual segment.

The reconciliation of segment assets breaks down as follows:

in EUR k	31 Dec. 2024	31 Dec. 2023
Deferred tax assets	1,187	788
Current tax receivables	4,816	3,563
Cash and cash equivalents	16,457	24,341
Total	**22,460**	**28,692**

The reconciliation of segment liabilities breaks down as follows:

in EUR k	31 Dec. 2024	31 Dec. 2023
Deferred tax liabilities	5,994	3,264
VAT liabilities	2,131	2,207
Current income tax liabilities	830	1,183
Liabilities to banks	40,267	37,409
Total	**49,222**	**44,063**

The segmentation by region is shown below:

in EUR k		Germany/Austria	Switzerland	North America	Romania	France	Belgium	Netherlands	China	Reconciliation	Consoli-dation	Group
External revenue	2024	133,099	7,095	14,159	3,992	41,351	3,625	3,608	405	0	0	207,333
	2023	119,531	6,961	6,636	4,322	39,927	3,797	3,202	344	0	0	184,720
Non-current segment assets	2024	89,638	49	26,023	497	3,709	172	89	18	1,187	-36,333	85,049
	2023	81,655	47	327	544	4,527	82	101	33	788	-18,449	69,655

The reconciliation of non-current segment assets breaks down as follows:

in EUR k	31 Dec. 2024	31 Dec. 2023
Deferred tax assets	1,187	788

I Other notes

1. Leases

CENIT leases office space and vehicles. The term of the leases is typically three years for vehicles and generally five to ten years for office space, with the option of extending the leases after this period. Some leases provide for additional lease payments based on changes in local price indices. CENIT has not sublet any property. The weighted average interest rate is 2.19% for property (prior year: 1.06%) and 4.06% for vehicles (prior year: 3.75%).

In addition, CENIT leases some IT equipment with contractual terms of between one and three years. These leases are either short term or (/and) they are for low-value assets. The Group has decided not to recognize right-of-use assets or lease liabilities for those leases. Information on leases where the Group is a lessee is provided below.

The Group had expenses from short-term leases of EUR 675 k in the reporting period (prior year: EUR 161 k) and expenses from leases of low-value assets of EUR 20 k (prior year: EUR 25 k).

in EUR k	Buildings	Vehicles	Total
As of 1 January 2023	**10,009**	**1,316**	**11,325**
Depreciation amount in the reporting year	2,823	1,146	3,969
Additions to right-of-use assets	1,213	1,506	2,719
Change to basis of consolidation	548	289	837
Exchange differences	-11	0	-11
As of 31 December 2023 / 1 January 2024	**8,936**	**1,965**	**10,901**
Depreciation amount in the reporting year	3,074	1,321	4,395
Additions to right-of-use assets	1,239	1,922	3,161
Change to basis of consolidation	1,115	0	1,115
Change in existing leases	-295	-54	-349
Exchange differences	12	0	12
As of 31 December 2024	**7,933**	**2,512**	**10,445**

The right-of-use assets from leases are reported in property, plant and equipment under land and buildings (buildings) and furniture and fixtures (vehicles).

2. Related party disclosures

Balances and transactions between CENIT and its subsidiaries that are related parties were eliminated as part of consolidation and are not explained in the notes.

Related parties of the CENIT Group within the meaning of IAS 24 thus only concern the members of the Management Board and Supervisory Board, their dependents, joint ventures as well as significant shareholders, including entities they control.

No transactions with related parties were conducted in the reporting period or the prior year. Otherwise, CENIT recorded sales with joint ventures amounting to EUR 8,004 k (prior year: EUR 9,396 k).

As of the end of the reporting period, there were no liabilities to related parties (prior year: EUR 0 k). The receivables from and liabilities to investments recognized at equity are reported separately in the statement of financial position.

The Company's Management Board members were:

- Peter Schneck, Stuttgart, spokesperson for the Management Board of CENIT AG, Responsible for: operations, investor relations and marketing.
- Axel Otto, Bretten, member of the Management Board of CENIT AG since 1 January 2024. Responsible for: finance/controlling, IT, personnel and organization.

The Company's Supervisory Board members were:

- Rainer-Christian Koppitz (CEO), Munich, chair since 20 May 2021
- Regina Weinmann (Partner at PRIMEPULSE SE), Munich, deputy chair since 17 May 2023.
- Laura Schmidt (Vice President Professional Services SAP Solutions at CENIT Aktiengesellschaft), Eppingen, employee representative, since 17 May 2023

Mr. Rainer-Christian Koppitz was chair of the management board of the KATEK SE Group (until 29 February 2024) and is CEO of TeleAlarm Holding GmbH. He is also chair of the supervisory board of NFON AG, a member of the supervisory board of i-pointing Ltd. and of Gigaset AG and is on the advisory board of Circus SE.

All other members of the Supervisory Board did not belong to any other supervisory boards or control bodies during the reporting year.

Pursuant to the articles of incorporation and bylaws, the Supervisory Board receives fixed compensation. Each member of the Supervisory Board receives a fixed amount payable after the end of the fiscal year. Each member of the Supervisory Board receives basic compensation of EUR 30 k. The chair receives four times that amount, while the deputy chair receives twice that amount.

The expense for the remuneration of the active members of the Management Board and Supervisory Board recognized in profit or loss breaks down as follows:

in EUR k	2024	2023
Management Board remuneration		
Fixed	680	666
Fringe benefits	21	21
Performance-based	237	362
Total short-term benefits	938	1,049
Long-term incentive	75	247
Total long-term benefits	75	247
Total remuneration of the Management Board	**1,013**	**1,296**
Supervisory Board compensation	210	160
Total compensation of the Supervisory Board	**210**	**160**
Total	**1,223**	**1,456**

Total compensation of the Supervisory Board solely includes short-term benefits.

Disclosures on the remuneration of the Management Board and the Supervisory Board of CENIT AG are presented individually in the remuneration report, which is published separately.

Total remuneration of the active Management Board members for the performance of their tasks at the parent company and subsidiaries in accordance with Sec. 314 (1) No. 6a HGB amounts to EUR 1,013 k in the reporting period (prior year: EUR 1,296 k). Of this figure, EUR 701 k (prior year: EUR 687 k) relates to fixed components while EUR 237 k (prior year: EUR 362 k) relates to short-term performance-based components. As part of the long-term remuneration, the Management Board was granted 38,598 performance shares (prior year: 14,965). The fair value of the performance stock program is EUR 217 k as of the cut-off date (prior year: EUR 247 k). The fair value of the performance shares granted for the 2024 financial year included in the total remuneration of the Management Board is EUR 75 k (previous year: EUR 247 k). Of the total remuneration, EUR 454 k is still outstanding as of the end of the reporting period, because those amounts depend on the earnings in the current reporting period or in future reporting periods. In the 2024 reporting period, total remuneration does not contain any remuneration in accordance with Sec. 314 (1) No. 6a HGB to former Management Board members.

The D&O insurance was continued in 2024 for Management Board members and Supervisory Board members as well as other executives. The premiums of EUR 99 k (prior year: EUR 98 k) were borne by the Company.

The Management Board held 46,788 shares as of the end of the reporting period (0.56%). The Supervisory Board members held 13,000 shares (0.16%).

3. Notifications pursuant to Sec. 21, 22, 25 WpHG

In a letter dated 17 May 2024, Baden-Württembergische Versorgungsanstalt für Ärzte, Zahnärzte und Tierärzte, Tübingen, Germany, informed us pursuant to Sec. 40 (1) WpHG that its share of voting rights in CENIT AG, Stuttgart, Germany, exceeded the threshold of 5% on 14 May 2024 and amounted to 5.61% on that date (corresponding to 469,666 voting rights).

During the 2024 reporting period, several notices pursuant to Sec. 40 (1) WpHG were received from Mainfirst SICAV. The last notice was dated 18 November 2024 and was as follows: Mainfirst SICAV, Strassen, Luxembourg, informed us pursuant to Sec. 40 (1) WpHG that its share of voting rights in CENIT AG, Stuttgart, Germany, fell below the threshold of 3% on 14 November 2024 and amounted to 2.98% on that date (corresponding to 248,975 voting rights).

In a letter dated 11 December 2024, Universal-Investment-Gesellschaft mit beschränkter Haftung, Frankfurt am Main, Germany, informed us pursuant to Sec. 40 (1) WpHG that its share of voting rights in CENIT AG, Stuttgart, Germany, exceeded the threshold of 3% on 9 December 2024 and amounted to 3.04% on that date (corresponding to 254,735 voting rights).

During the 2021 reporting period, several notices pursuant to Sec. 40 (1) WpHG were received from PRIMEPULSE SE. The last notice is dated 11 August 2021 and is as follows: PRIMEPULSE SE, Munich, Germany, informed us pursuant to Sec. 40 (1) WpHG that its share of voting rights in CENIT AG, Stuttgart, Germany, exceeded the threshold of 20% on 10 August 2021 and amounted to 25.01% on that date (corresponding to 2,092,950 voting rights).

4. Group auditor's fees

in EUR k	2024	2023
Audit fees (annual financial statements and consolidated financial statements)	201	186
thereof relating to other periods: EUR 9 k (prior year: EUR 9 k)		
Total	**201**	**186**

5. Events after the reporting period

In the first quarter of 2025, CENIT responded to the current market changes and the palpable competitive pressure. In order to remain competitive going forward, the organization and headcount were adjusted to the current situation. Expenses of EUR 3.8 million are expected in the first quarter for these adjustment measures. Over the further course of the year, CENIT expects cost-savings from these measures amounting to EUR 2.3 million, with an earnings effect of EUR 1.5 million impacting the net income of the Group for 2025. This effect is part of the 2025 enterprise planning and is included in the report on expected developments in the management report.

6. Declaration pursuant to Sec. 161 AktG on the German Corporate Governance Code

The Management Board and Supervisory Board of the Company have issued the declaration for 2024 required by Sec. 161 AktG and made it available on the Company's homepage (http://www.cenit.com/en_EN/investors/corporate-governance.html).

Stuttgart, 9 April 2025

CENIT Aktiengesellschaft
The Management Board

Peter Schneck
Spokesperson, Management Board

Axel Otto
Member, Management Board

Independent auditor's report

To CENIT AG, Stuttgart

Report on the audit of the consolidated financial statements and of the combined management report

Opinions

We have audited the consolidated financial statements of CENIT AG, Stuttgart, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the annual period from 1 January 2024 to 31 December 2024 as well as the notes to the consolidated financial statements, including key information on accounting policies. In addition, we have audited the combined management report of CENIT AG, Stuttgart, for the annual period from 1 January 2024 to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of the sections 1.7 b) "Personnel policy", "Remuneration system – profit sharing", 6.1 "Key characteristics of the internal control and risk management system", 6.7 "Quality management and information security", 6.8 "Statement on the appropriateness and effectiveness of the internal control and risk management system" in the combined management report or the corporate governance statement prescribed by Sec. 289f HGB and/or Sec. 315d HGB or the separate consolidated non-financial statement prescribed by Sec. 315b HGB, referred to in the combined management report.

In our opinion, on the basis of 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 (IFRSs) as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB ["Handelsgesetzbuch": German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2024 and of its financial performance for the annual period from 1 January 2024 to 31 December 2024, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined 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 opinion on the combined management report does not cover the aforementioned components of the combined management report for which we have not audited the content.

Pursuant to Sec. 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 of the combined management report.

Basis for the opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Sec. 317 HGB and the EU Audit Regulation (No 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). 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 combined management report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 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 combined management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the annual period from 1 January 2024 to 31 December 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.

We have presented the key audit matters from our perspective below.

❶ Revenue recognition

❷ Recoverability of goodwill

We have structured our presentation of the key audit matters as follows:

① Risk for the consolidated financial statements
② Audit approach
③ Related disclosures

❶ Revenue recognition

① Risk for the consolidated financial statements

The Group reports revenue of EUR 207.3 million for the annual period from 1 January 2024 to 31 December 2024.

The Group primarily generates revenue from the licensing of software (proprietary and third-party software), software updates, the provision of IT services as well as the provision of consulting services for the planning, implementation and optimization of business and IT processes.

Due to the large number of product types and the complexity of the revenue streams, there is a risk for the consolidated financial statements that revenue is recognized without having provided the actual service. There is also a risk that revenue is not recognized in the correct period. As a result, this matter was a key audit matter as part of our audit.

② Audit approach

To audit revenue recognition, we assessed the design, implementation and effectiveness of the internal controls in terms of revenue recording and cut-off based on our understanding of the process. We also considered the IT systems environment relevant for financial reporting purposes in this context.

We assessed the recognition of revenue for all main product types, i.e. from licensing of software (proprietary software and third-party software), software updates, the provision of IT services as well as the provision of consulting services by comparing the invoices with the corresponding orders, offers, proof of performance and incoming payments using spot checks. We used revenue in the 2024 reporting period as a base, which was selected using an actuarial method.

We assessed the timing of revenue recognition for revenue from licensing of software, the provision of IT services as well as the provision of consulting services by comparing the invoices with the corresponding orders and/or offers and proof of performance using spot checks. We used revenue in December 2024 and January 2025 as a base, which was selected based on a conscious approach.

To substantiate the existence of the revenue as of the reporting date, we obtained balance confirmations selected using an actuarial method for the trade receivables not yet settled as of the end of the reporting period. For outstanding replies from the balance confirmation work, we carried out alternative audit procedures by reconciling revenue among other things with the underlying orders, invoices and proof of performance (e.g. delivery notes, acceptance records or proof of hours) as well as the payments received.

Our audit procedures did not lead to any objections in relation to revenue recognition.

③ Related disclosures

The disclosures by the Group on revenue recognition are contained in 20. “Revenue” and 23. “Significant accounting judgments, assumptions and estimates” in section D “Accounting policies”, in 1. “Revenue” in section E “Income statement”, and in 18.“Contract liabilities” in section F “Statement of financial position” in the notes to the consolidated financial statements.

❷ Recoverability of goodwill

① Risk for the consolidated financial statements

Goodwill of EUR 41.7 million is reported in the ‘Intangible assets’ item in the consolidated financial statements as of 31 December 2024. This represents a share of 26.3% of total assets. The goodwill is allocated to cash-generating units.

The cash-generating units are subject to an impairment test at least once a year or as the need arises. This involves comparing the carrying amounts of the cash-generating units with their respective recoverable amount. The recoverable amount is determined by calculating the value in use of the respective cash-generating units using the discounted cash flow method.

The cash flow projections for the cash-generating units are based on the enterprise planning prepared by the management Board. The planning covers a period of one year and is then rolled forward using medium-term assumptions over the next four years and long-term growth rates (terminal value). Expectations around future market developments are also included. Cash flows are discounted using the weighted average cost of capital of the respective cash-generating unit as calculated by an independent expert. Based on the Company's calculations and the further documentation, there was no need for the Company to record any write-downs for the 2024 reporting period.

The findings from this assessment are highly dependent on the estimate of future cash flows and of the growth rates by the Management Board and on the discount rate used. They are thus subject to considerable estimation uncertainties. Consequently, there is a risk that the goodwill is not recoverable at the amount reported. In view of these facts and due to the significance of the goodwill for the presentation of the assets and liabilities and financial performance in the consolidated financial statements of CENIT AG, this matter was a key audit matter as part of our audit.

② Audit approach

To audit the impairment tests of goodwill, we assessed the design of the internal controls based on our understanding of the process.

We assessed the competency, ability and objectivity of the independent expert engaged by the executive directors to derive the weighted average cost of capital.

To assess the quality and reliability of the enterprise planning, we compared the planning for the prior reporting period with the actual results and analyzed any variances (planning reliability) in cases where the prior-year planning was available. We discussed the assumptions and premises underlying the planning with those responsible and tested these for plausibility. To do this, we reconciled the assumptions made with the macroeconomic and sector-specific market expectations, among other things. We also examined whether future net cash flows were derived appropriately from the assumptions and premises. Additionally, we carried out sensitivity analyses.

We involved an internal valuation specialist to verify the valuation methods used. In the knowledge that even small changes in the discount rate used can have material effects on the amount of the business value calculated, we examined the parameters used to determine the discount rate in each case, including the weighted cost of capital, and checked whether these were within the customary market range.

We checked whether the future cash flows underlying the valuations and taken together with the cost of capital used provide an appropriate basis for valuation overall.

We checked the clerical accuracy of the calculation method used to determine the values in use. Our audit procedures did not lead to any objections in relation to the recoverability of goodwill.

③ Related disclosures

The disclosures by the Group on goodwill and its recoverability are contained in 1. "Consolidation principles and basis of consolidation" and 2. "Business combinations and goodwill" in section C "Consolidation principles", in 2. "Purchased intangible assets with indefinite useful lives (goodwill)" and in 23. "Significant accounting judgments, assumptions and estimates" in section D "Accounting policies", and in 1."Intangible assets" in section F "Statement of financial position" in the notes to the consolidated financial statements.

Other information

The executive directors and/or the Supervisory Board are responsible for the other information. The other information comprises:

- the corporate governance statement prescribed by Sec. 289f HGB and/or Sec. 315d HGB referred to in the combined management report,
- the separate consolidated non-financial statement prescribed by Sec. 315b HGB referred to in the combined management report, which is expected to be provided to us after the date of this auditor's report,
- the sections 1.7 b) "Personnel policy", "Remuneration system – profit sharing", 6.1 "Key characteristics of the internal control and risk management system", 6.7 "Quality management and information security" and 6.8 "Statement on the appropriateness and effectiveness of the internal control and risk management system" in the combined management report,
- the assurances by the executive directors prescribed by Sec. 297 (2) Sentence 4 HGB and Sec. 315 (1) Sentence 5 HGB on the consolidated financial statements and the combined management report,
- the report of the Supervisory Board and

- the other parts of the 'annual report',
- but not the consolidated financial statements, the combined management report disclosures for which we have audited the content or our corresponding auditor's report.

The Supervisory Board is responsible for the report of the Supervisory Board. The declaration pursuant to Sec. 161 AktG on the German Corporate Governance Code, which is part of the Group's corporate governance statement, is the responsibility of the executive directors and of the Supervisory Board. Otherwise the executive directors are responsible for other information.

Our opinions on the consolidated financial statements and on the combined management report do not cover 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 aforementioned other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, the combined management report disclosures for which we have audited the content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If we conclude, based on the work carried out by us on the other information obtained before the date of this auditor's report, that this other information is materially misstated, we are obliged to report this fact. We do not have anything to report in this regard.

Responsibilities of the executive directors and the Supervisory Board for the consolidated financial statements and the combined management report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 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, the executive directors are responsible for such internal controls as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraudulent acts (i.e. manipulation of the financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined 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, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined 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 combined 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 combined management report.

Auditor's responsibility for the audit of the consolidated financial statements and of the combined management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraudulent acts or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraudulent acts or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraudulent acts or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraudulent acts is higher than for one resulting from error, as fraudulent acts may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined 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 the Group's internal controls and/or its arrangements and measures.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' 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 combined 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 overall 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 the IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 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 divisions within the Group as a basis for forming the opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the audit activities carried out for the purpose of the audit of the consolidated financial statements. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the combined 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 the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors 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 things, 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 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 related actions or safeguards taken to eliminate risks to independence.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current 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 legal and regulatory requirements

Assurance report in accordance with Sec. 317 (3a) HGB of the electronic rendering of the consolidated financial statements and the combined management report prepared for disclosure purposes

Opinion

We have performed an assurance engagement in accordance with Sec. 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report contained in the file **„391200KYFPOLFJNEWL98-2024-12-31-0-de.zip“ (SHA256:9e9aa693d8f6de1c79550391b2fb2eb9026fb51ad6cc5634dcbe0ddfb88f00db)** and prepared for disclosure purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format (“ESEF format”). In accordance with German legal requirements, this assurance engagement extends only to the conversion of the information contained in the consolidated financial statements and the combined 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 above-mentioned file.

In our opinion, the reproduction of the consolidated financial statements and the combined management report contained in the above-mentioned file and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format. We do not express any opinion on the information contained in this rendering nor on any other information contained in the above-mentioned file beyond this reasonable assurance conclusion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the annual period from 1 January 2024 to 31 December 2024 contained in the “Report on the audit of the consolidated financial statements and of the combined management report” above.

Basis for the opinion

We conducted our assessment of the rendering of the consolidated financial statements and the combined management report contained in the above-mentioned file in accordance with Sec. 317 (3a) HGB and the IDW Assurance Standard: Assurance in accordance with Sec. 317 (3a) HGB on the Electronic Rendering of Financial Statements and Management Reports Prepared for Disclosure Purposes (IDW AsS 410 (06.2022)). Our responsibility is described in more detail in the section “Responsibility of the auditor for the audit of the ESEF documents”. Our audit firm has applied the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)).

Responsibilities of the executive directors and the Supervisory Board for the ESEF documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB and for the tagging of the consolidated financial statements in accordance with Sec. 328 (1) Sentence 4 No. 2 HGB.

In addition, the executive directors of the Company are responsible for the internal controls they consider necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of Sec. 328 (1) HGB for the electronic reporting format, whether due to fraudulent acts or error.

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

Responsibility of the auditor for the audit of the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of Sec. 328 (1) HGB, whether due to fraudulent acts or error. We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material non-compliance with the requirements of Sec. 328 (1) HGB, whether due to fraudulent acts or error, 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 conclusion.
- Obtain an understanding of internal controls relevant to the assessment of the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion 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, in the version valid as of the reporting date, 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 combined management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) provides an appropriate and complete machine-readable XBRL copy of the XHTML rendering in accordance with Articles 4 and 6 of the Commission Delegated Regulation (EU) 2019/815 as amended as of the end of the reporting period.

Further information pursuant to Art. 10 of the EU audit regulation

We were elected as group auditor by the Annual General Meeting of Shareholders on 6 June 2024. We were engaged by the Supervisory Board on 19 June 2024. We have been the group auditor of CENIT AG, Stuttgart, without interruption since the fiscal year 2022.

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

Other matter – use of the auditor’s report

Our auditor’s report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the assured ESEF documents. The consolidated financial statements and combined management report converted to the ESEF format – including the versions to be published in the company register – are merely electronic renderings of the audited consolidated financial statements and the combined audited 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 assured ESEF documents made available in electronic form.

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Marcel Hohbein.

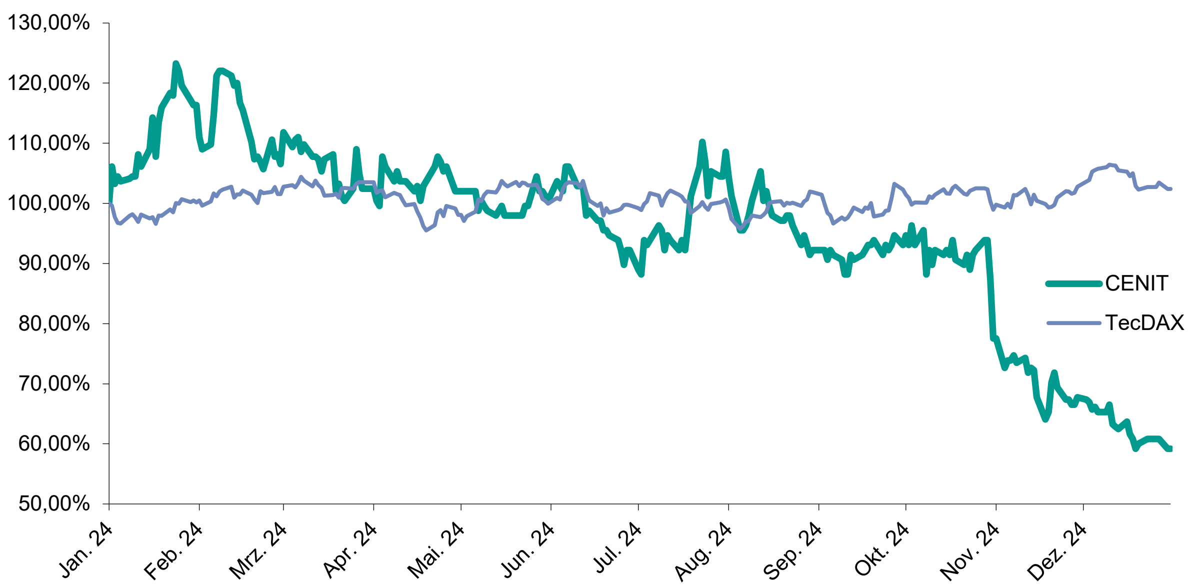
Düsseldorf, 9 April 2025
Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Thomas Senger	Marcel Hohbein
Wirtschaftsprüfer [German Public Auditor]	Wirtschaftsprüfer [German Public Auditor]

CENIT on the capital market

The year 2024 was characterized by political changes, historic decisions and strong volatility on the financial markets. Despite economic challenges, particularly in Germany and the eurozone, many stock markets set new records: the DAX closed another of its most successful years on the German stock market on 30 December 2024 at 19,909.14 points, up 18.9%. The Dow Jones also ended the year on a positive note, up around 13% at 42,544.22 points. This development was mainly driven by large, globally active companies such as SAP and Siemens, while many small and mid-cap stocks in the MDAX and SDAX suffered from Germany's locational disadvantages and therefore underperformed. This was also the case for the CENIT AG share, which closed the year at a price of EUR 7.25.

Development of the CENIT share price in 2023



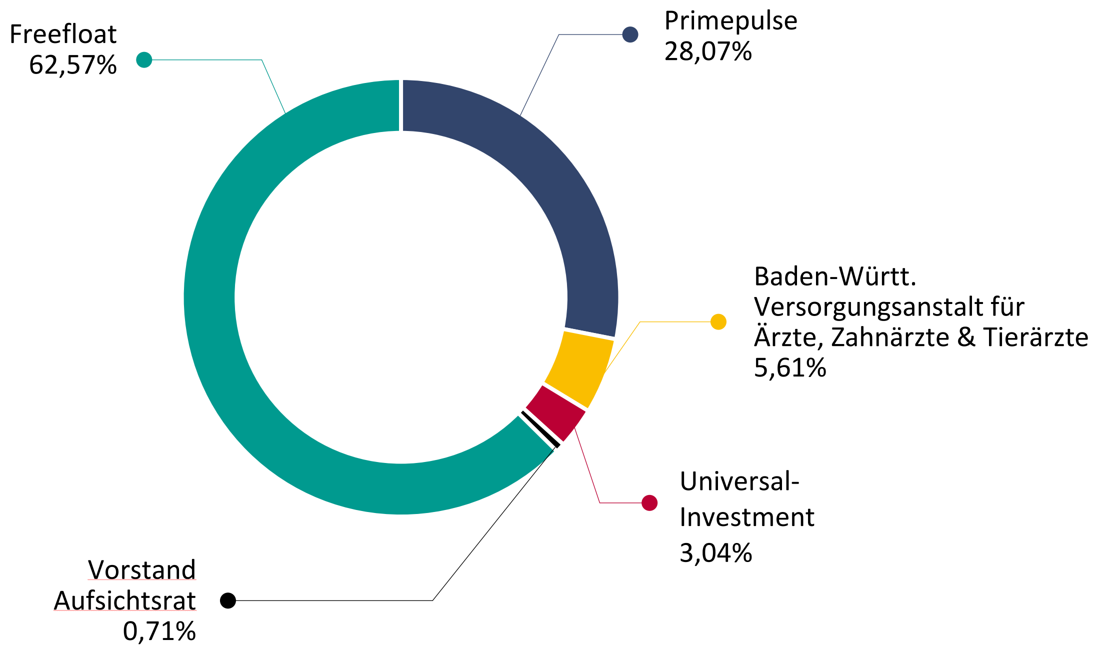
Source: Hauck & Aufhäuser

The CENIT share started the trading year 2024 at a price of € 12.00 and closed the year at 7,25 €. The average trading volume on all German stock exchanges amounted to 9,795 shares per day over the past 52 weeks. The average share price for 2024 was € 11.75. The annual high of the CENIT share was € 15.40 and the annual low was € 7.05. A total of around 2,211,788 shares were traded (XETRA). Data on the shareholder structure can only be approximated due to the high free float, resulting in the following overview of the size and composition of the shareholder base. The CENIT share is listed in the Prime Standard of the German Stock Exchange and fulfills the applicable international transparency requirements.

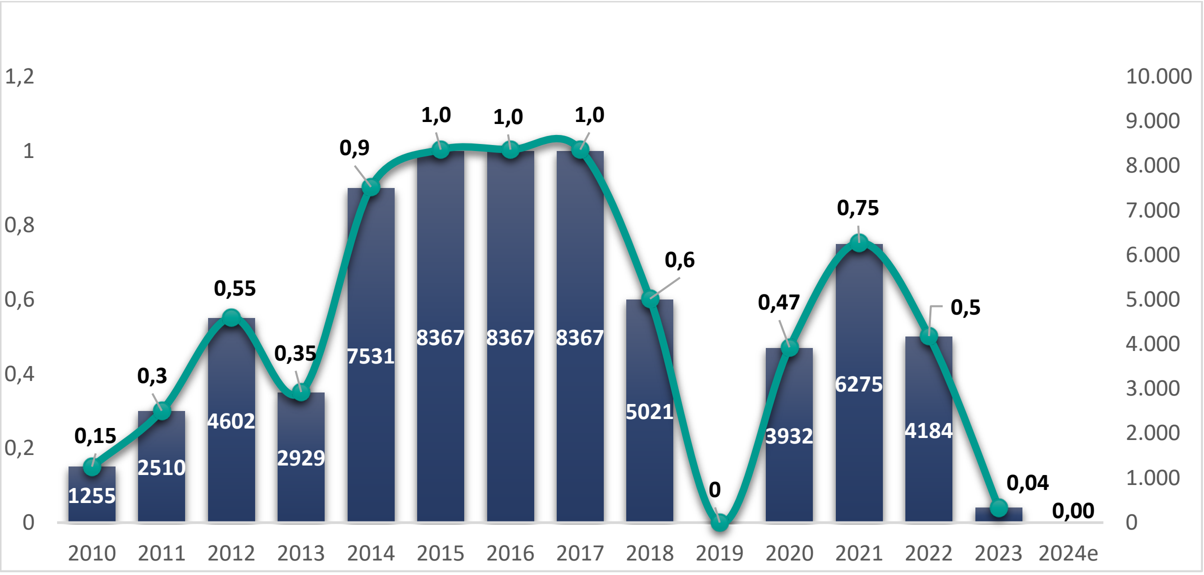
Analyst recommendations

Studies on CENIT are currently being published by five banks and analyst companies. These are recommendations from Warburg Research GmbH, Hamburg, GBC AG, Augsburg, Hauck & Aufhäuser, Metzler Capital Markets, Frankfurt and Montega AG, Hamburg. The latest analyst recommendations can be found on our Investor Relations website.

Shareholder structure



Dividend



Based on the financing strategy with regard to future company acquisitions, the Management Board and the Supervisory Board will propose to the Annual General Meeting on June 4, 2025 that no dividend be distributed.

In principle, the financial strategy continues to focus on maintaining a good and long-term credit rating, which, however, also takes into account the interests of shareholders in a dividend.

In dialogue with the capital market

In order to increase the long-term value of the company, we believe it is very important to communicate transparently and continuously with the capital market. In 2024, we took part in nine capital market conferences and held over 125 meetings with institutional investors, press representatives and rating agencies.

We also offer interested investors virtual earnings calls on a quarterly basis. In these calls, the management explains the current business performance and quarterly results and is available to answer questions. The current IR presentation and the recording of the earnings calls are available on our Investor Relations website.

CENIT as a sustainable investment

The dynamic development of the industry requires future-oriented strategies and increases the need for digitalization. Companies are faced with the challenge of efficiently optimizing their processes in order to remain competitive and meet the increasing demands of the market and their customers.

With over 35 years of experience in the areas of Product Lifecycle Management (PLM) and Enterprise Information Management (EIM), CENIT is a competent and reliable partner. As a holistic provider of sustainable digitalization solutions, we understand the complex requirements of the industry and offer both in-depth expertise and tailor-made solutions to prepare our customers for a digital future.

Our corporate growth is based on a sustainable and profitable strategy - both organically and through targeted acquisitions. At the same time, we are diversifying our business model in order to continuously expand our expertise and tap into new, relevant markets.

Thanks to a share of around 60 percent recurring income, CENIT is a sustainable investment. In addition, we pursue a reliable dividend policy that provides for a distribution of 50 percent of CENIT AG's net profit in the medium term.

Responsibility Statement in the Annual Financial Report

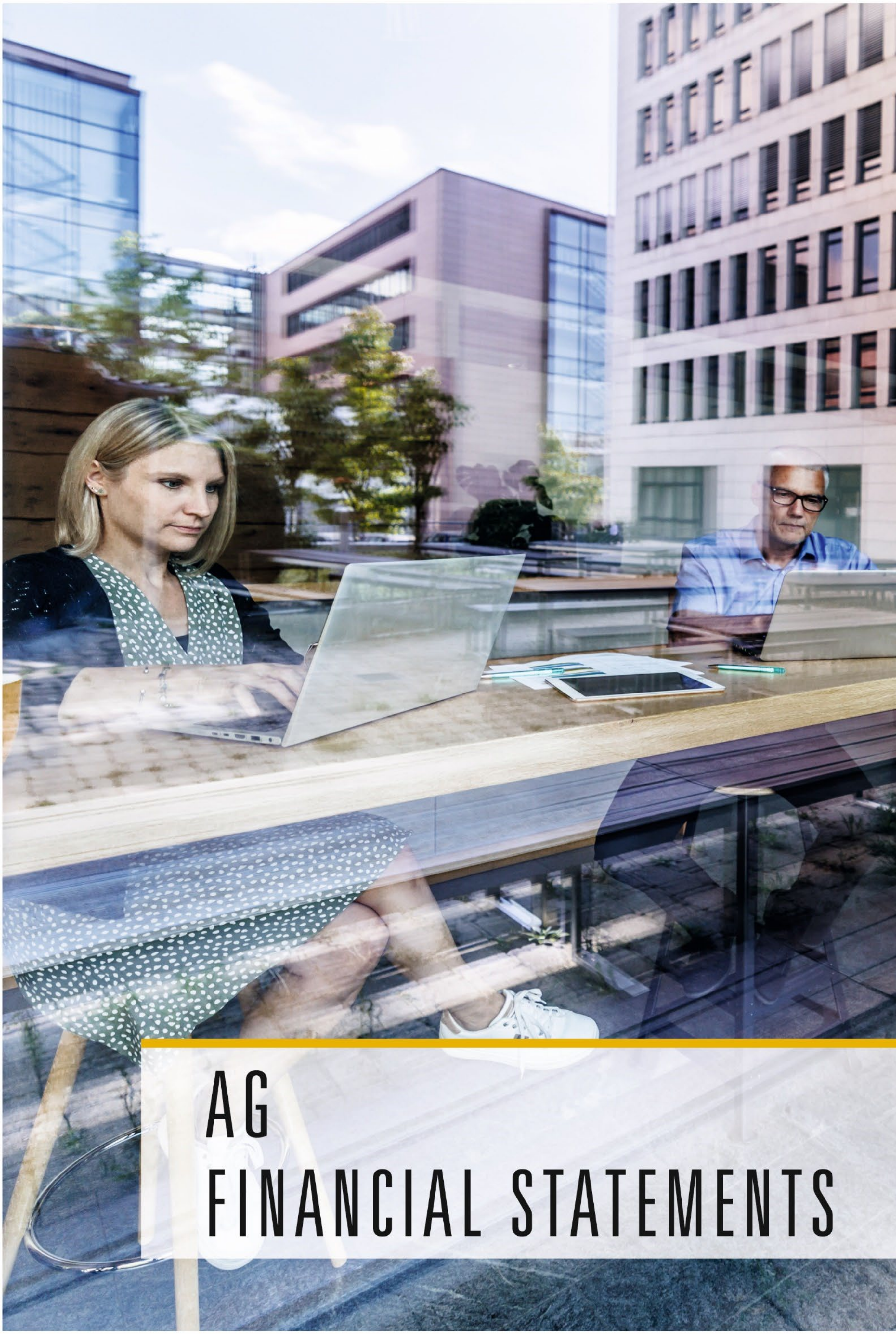
(Group Financial Report)

Responsibility statements pursuant to Section 297 (2) sentence 4 HGB and Section 315 (1) sentence 5 HGB on the consolidated financial statements and the combined management report:

"To the best of our knowledge, and in accordance with the applicable reporting principles, the Group financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss 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."

The Management Board

Peter Schneck Spokesman, Management Board	Axel Otto Member, Management Board



AG
FINANCIAL STATEMENTS

CENIT Aktiengesellschaft, Stuttgart
BALANCE SHEET

		31 Dec. 2024	**31 Dec. 2023**
ASSETS	EUR	EUR	EUR
A. FIXED ASSETS			
I. Intangible assets			
Franchises, industrial and similar rights and assets and licenses in such rights and assets		**382,662.32**	**293,518.93**
II. Property, plant and equipment			
1. Land and buildings, including buildings on third-party land	4,454.76		6,221.99
2. Plant and machinery	782,496.33		671,019.60
3. Other equipment, furniture and fixtures	52,257.18		53,946.15
		839,208.27	**731,187.74**
III. Financial assets			
1. Shares in affiliates	53,248,919.71		53,040,791.72
2. Equity investments	52,554.25		2,802,757.89
3. Loans to affiliates	10,533,704.87		273,000.00
		63,835,178.83	**56,116,549.61**
B. CURRENT ASSETS			
I. Inventories			
1. Work in process	387,638.60		438,332.67
2. Payments on account	118,797.12		69,014.61
		506,435.72	**507,347.28**
II. Receivables and other assets			
1. Trade receivables	10,302,270.51		10,820,857.49
2. Receivables from affiliates	1,736,757.25		1,050,838.78
3. Receivables from other investees and investors	3,091,736.95		4,271,172.79
4. Other assets	4,905,880.22		5,146,217.03
		20,036,644.93	**21,289,086.09**
III. Cash on hand, bank balances		**3,671,216.50**	**6,093,371.34**
C. PREPAID EXPENSES		**5,800,114.89**	**5,759,342.71**
		95,071,461.46	**90,790,403.70**

CENIT Aktiengesellschaft, Stuttgart BALANCE SHEET				
			31 Dec. 2024	31 Dec. 2023
EQUITY AND LIABILITIES		EUR	EUR	EUR
A.	EQUITY			
I.	Subscribed capital		8,367,758.00	8,367,758.00
II.	Capital reserves		1,058,017.90	1,058,017.90
III.	Revenue reserves			
	1. Legal reserve		418,387.90	418,387.90
	2. Other revenue reserves		13,870,955.48	13,870,955.48
IV.	Net retained profit		8,271,775.12	7,014,781.41
			31,986,894.40	**30,729,900.69**
B.	PROVISIONS			
	1. Tax provisions	0.00		381,967.00
	2. Other provisions	4,638,987.56		5,286,583.10
			4,638,987.56	**5,668,550.10**
C.	LIABILITIES			
	1. Liabilities to banks	40,012,090.23		37,391,304.36
	2. Payments received on account of orders	1,534,216.15		2,145,888.38
	3. Trade payables	3,681,330.86		3,328,720.52
	4. Liabilities to affiliates	4,305,185.41		864,384.30
	5. Liabilities to other investees and investors	32,808.60		27,474.53
	6. Other liabilities	3,511,599.30		4,802,407.08
	thereof for social security: EUR 76.86 (prior year: EUR 0.00)			
	thereof for taxes: EUR 729,054.94 (prior year: EUR 1,023,114.16)			
			53,077,230.55	**48,560,179.17**
D.	DEFERRED INCOME		**5,368,348.95**	**5,831,773.74**
			95,071,461.46	**90,790,403.70**

CENIT Aktiengesellschaft, Stuttgart
INCOME STATEMENT

			2024	2023
		EUR	EUR	EUR
1.	Revenue	98,364,943.16		96,503,842.52
2.	Decrease in inventories of work in process (prior year: increase)	-50,694.07		159,318.54
3.	Other operating income	440,911.19		2,134,248.29
	thereof income from currency translation: EUR 160,220.45 (prior year: EUR 95,486.85)			
	Total operating performance		**98,755,160.28**	**98,797,409.35**
4.	Cost of materials			
a.	Cost of raw materials, consumables and supplies and of purchased merchandise	39,104,429.71		37,413,209.78
b.	Cost of purchased services	9,143,615.31		10,084,822.75
			48,248,045.02	47,498,032.53
5.	Personnel expenses			
a.	Salaries	28,415,679.23		30,393,051.42
b.	Social security and pension costs	5,258,708.85		5,397,500.47
			33,674,388.08	35,790,551.89
6.	Amortization of intangible assets and depreciation of property, plant and equipment	510,904.60		565,125.83
7.	Other operating expenses	17,170,589.24		13,057,750.27
	thereof from currency translation: EUR 190,282.58 (prior year: EUR 190,429.71)			
	Operating result		**-848,766.66**	**1,885,948.83**
8.	Income from equity investments		6,894,811.61	1,776,729.29
	thereof from affiliates: EUR 6,894,811.61 (prior year: EUR 1,776,729.29)			
9.	Other interest and similar income		481,492.10	131,344.55
	thereof from affiliates: EUR 338,484.45 (prior year: EUR 15,550.11)			
10.	Write-downs of financial assets		2,750,203.64	0.00
11.	Interest and similar expenses		2,304,509.37	1,440,252.95
	thereof from unwinding of the discount on provisions: EUR 8,186.00 (prior year: EUR 7,690.00)			
	thereof to affiliates: EUR 35,810.60 (prior year: EUR 0.00)			
12.	Income taxes		-146,225.90	-10,968.32
13.	Earnings after taxes		**1,619,049.94**	**2,364,738.04**
14.	Other taxes		27,345.91	81,431.17
15.	Net income for the year		**1,591,704.03**	**2,283,306.87**

CENIT Aktiengesellschaft, Stuttgart

Notes to the financial statements for 2024

A General

CENIT AG has its registered offices in Stuttgart and is entered in the commercial register at Stuttgart local court (HRB 19117). It is a large, listed corporation within the meaning of Sec. 267 (3) HGB ["Handelsgesetzbuch": German Commercial Code] in conjunction with Sec. 264d HGB.

These financial statements have been prepared in accordance with Sec. 242 et seq. and Sec. 264 et seq. HGB as well as in accordance with the relevant provisions of the AktG ["Aktiengesetz": German Stock Corporation Act]. The Company is subject to the requirements for large corporations. The standards of Deutsches Rechnungslegungs Standards Committee e.V., Berlin, (DRSC) (the Accounting Standards Committee of Germany (ASCG)) have been observed to the extent that they are relevant for the annual financial statements of the Company.

The income statement is classified using the nature of expense method.

For the sake of clarity, some of the "thereof" notes to be disclosed either in the balance sheet and income statement or in the notes are included in the notes.

B Accounting principles

The following accounting and valuation methods, which remained unchanged in comparison to the prior year, have been used to prepare the financial statements.

Acquired **intangible assets** are recognized at acquisition cost and are amortized over their useful lives using the straight-line method if they have a limited life. The depreciation tables published by the German Ministry of Finance serve as a guide here. The useful life is between three and ten years. Additions are amortized pro rata temporis.

Property, plant and equipment are recognized at acquisition cost and are depreciated if they have a limited life. Depreciation is recorded over the customary useful life using the straight-line method. The depreciation tables published by the German Ministry of Finance serve as a guide here. The useful life of property, plant and equipment is between three and ten years. Additions are depreciated pro rata temporis.

Low-value assets with an individual net value not exceeding EUR 150 were fully expensed in the year of acquisition. Assets with an individual net value not exceeding EUR 800 are fully expensed in the year of acquisition with their immediate disposal being assumed.

Financial assets are recognized at acquisition cost. Write-downs to their lower attributable value are recognized only if impairment is expected to be permanent. The recoverability of shares in affiliated companies is tested annually in the form of a fair value calculation using cash flow forecasts based on 5-year financial plans prepared by management (discounted cash flow method). In deriving multi-year financial plans, judgments, assumptions and estimates are made that may differ from actual future developments.

Work in process is valued at production cost or, in the case of third-party work, at acquisition cost. Own work comprises direct labor and appropriate, proportionate overheads for personnel, write-downs and rent as well as general and administrative expenses. If the market value is lower as of the balance sheet date, work in process is recognized at that value.

Merchandise and payments on account are measured at acquisition cost. Where necessary, write-downs to the lower net realizable value are recognized.

Receivables and other assets are stated at their nominal value. All recognizable specific risks are taken into account with specific bad debt allowances. A general bad debt allowance of 1% (prior year: 1%) was established for the general credit risk. The options recognized in other assets are reported at the lower of cost or market.

Cash on hand and **bank balances** are each stated at nominal value.

Expenses paid before the balance sheet date that represent an expense for a certain period after that date are accrued as **prepaid expenses** on the assets side of the balance sheet. Income received before the balance sheet date that represents income for a certain period after that date is reported as **deferred income** on the liabilities side of the balance sheet.

Equity items are stated at their nominal amount.

Provisions account for all foreseeable risks and contingent liabilities and are recognized at the settlement value deemed necessary according to prudent business judgment. Expected future price and cost increases are included in valuing the provisions. Provisions with a residual term of more than one year were discounted at the average market interest rate of the last seven fiscal years published by the German Central Bank for their respective residual term. The discounting expense is disclosed in the financial result, while effects from the change in the interest rate or the change in the term are presented in the operating result. Provisions for potential losses from pending transactions ('loss provisions') comprise future losses not yet realized. There is a risk of a loss from pending transactions if income and expenses from the same transaction, not yet completed, do not balance out, but lead instead to a net obligation. A provision of EUR 425 k was recognized for this in the fiscal year (prior year: EUR 0 k).

Liabilities are recorded at the settlement value.

Derivative financial instruments are used solely for hedging purposes. As part of the valuation, the agreed rate is compared with the forward rate for the same maturity as of the balance sheet date. A provision is recognized for any resulting unrealized loss. Any positive difference is not taken into account. Gains and losses are not offset. The valuation result is discounted to the present value. The fair values of the derivatives generally correspond to the market value. If no active market exists, the fair value is calculated using actuarial methods, for example by discounting future cash flows at the market interest rate. In as far as possible, hedged items and derivative financial instruments used for hedging purposes with comparable risks are combined to form a valuation unit and recognized using the net method. As a result, the valuation is not recorded in the accounts for as long as and to the extent that the opposing changes in value or cash flows cancel each other out. Transactions not included in valuation units are valued individually at fair values. Any unrealized losses are recognized in profit or loss.

To determine **deferred taxes** arising due to temporary or quasi-permanent differences between the carrying amounts of assets, liabilities, prepaid expenses and deferred income in the statutory accounts and their tax carrying amounts, the resulting tax burden and relief are valued using the company-specific tax rate at the time the differences reverse; these amounts are not discounted. The option not to recognize deferred tax assets was exercised.

Foreign currency assets and liabilities were translated using the mean spot rate on the balance sheet date. If they had residual terms of more than one year, the realization principle (Sec. 252 (1) No. 4 Clause 2 HGB) and the historical cost principle (Sec. 253 (1) Sentence 1 HGB) were applied.

CENIT generates **revenue** from the licensing of (standard) software (proprietary software and third-party software), software updates (for proprietary software and third-party software), the provision of IT services as well as the provision of consulting services for the planning, implementation and optimization of business and IT processes. Revenue is also generated from the sale of goods.

At CENIT, the different products are categorized according to the following contract types:

- Royalties – these encompass the revenue from software licenses and software updates
- Sale of goods and services – this encompasses revenue from service and consulting projects that also include hardware sales
- Fixed-price projects
- Merchandise

Software licenses

Royalties from granting temporary licenses – to the extent that the software grants a right to use the intellectual property as of the date of granting the license – and income from the sale of permanent licenses are recognized when the software has been provided to the customer (revenue recognition at a point in time).

Royalties from software as a service are recognized pro rata over the term of rendering the service. Royalties from software as a service are generally charged annually or quarterly in advance. The advance payments received for future services are recognized as deferred income.

Software updates

This includes revenue from contracts that grant the customer access to software updates. These updates mainly involve error resolution, improved performance of the existing functions of the software or adjustments to changed framework conditions.

Royalties from software updates are recognized pro rata over the term of rendering the service. Royalties from software updates are generally charged annually or quarterly in advance. The advance payments received for future services are recognized as deferred income.

Services (consulting & service)

Revenue from services charged on an hourly basis relates to consulting services, training, application and user support. For these services, revenue recognition generally takes place monthly based on hours worked.

If there are multiple element arrangements that comprise the sale of software licenses and services, these are examined to determine if one or several performance obligations exist. If several performance obligations are identified, the transaction price is allocated in proportion to the relative stand-alone selling prices. CENIT bases its derivation on its own stand-alone selling prices or, if these are not available, on relative stand-alone selling prices for comparable industry transactions. Revenue recognition for the separate performance obligations can take place at a point in time or over time, depending on when the customer has control of the service.

Fixed-price projects / contracts for work

Income from contracts for which a fixed price was agreed (generally contracts for work in connection with software programming or implementation) and that have the characteristics of a contract for work is recognized upon customer acceptance and thus when risk has transferred.

Merchandise

Revenue from merchandise relates chiefly to the sale of end devices. Sales of merchandise are recognized when the performance obligation has been met through delivery to the purchaser.

C Notes to the balance sheet and income statement

I. Balance sheet

1. Fixed assets

The development of fixed asset items is presented separately in the statement of changes in fixed assets (see pages 146-147).

2. Financial assets

The information on shareholdings as of 31 December 2024 breaks down as follows:

No.	Name and location of registered offices	Currency	Share-holding in %	Subscribed capital EUR k	Equity EUR k	Earnings EUR k
1	CENIT (Schweiz) AG Effretikon, Switzerland	CHF	100.0	313	260	-604
2	CENIT NORTH AMERICA Inc. Auburn Hills, USA	USD	100.0	28	2,381	434
2a	Analysis Prime LLC* Naperville, USA	USD	60	3,105	2,942	252
3	CENIT SRL Iasi, Romania	RON	100.0	105	417	920
4	KEONYS SAS Suresnes, France	EUR	100.0	155	3,028	6,404
4a	KEONYS Belgique SPRL* Waterloo, Belgium	EUR	100.0	19	1,390	202
4b	KEONYS NL BV* Houten, Netherlands	EUR	100.0	18	873	283
5	CENIT Software Technology (Suzhou) Co., Ltd. Suzhou, China	CNY	100.0	662	-74	-97
6	CORISTO GmbH Mannheim, Germany	EUR	100.0	25	817	329
7	CenProCS AIRliance GmbH Stuttgart, Germany	EUR	33.3	150	167	-1
8	ISR Information Products AG Braunschweig, Germany	EUR	74.9	170	4,817	3,424
9	MIP Management Informations Partner Gesellschaft für EDV - Beratung und Management-Training mbH, Munich, Germany	EUR	100	26	1,016	262
10	PI Informatik Projektierung von Informationssystemen & Informatikservice GmbH Berlin, Germany	EUR	100	26	1,353	490
11	ACTIVE BUSINESS CONSULT Informationstechnologie GmbH Vienna, Austria	EUR	60	100	34	-109
12	CCE b:digital GmbH Bissendorf, Germany	EUR	100	25	1,816	-7

*indirect shareholding

The portion of 3.73% of the shares in Ascon Systems Holding GmbH reported under equity investments in the prior year was written down in the fiscal year. An impairment loss for the full amount of EUR 2,750 k was recognized on the acquisition costs of EUR 2,750 k, as the company applied for insolvency.

The loans to affiliates contain a loan of EUR 117 k (prior year: EUR 273 k) to CENIT SRL with a residual term of two years. In the fiscal year, CENIT North America also received a loan of USD 12,000 k for the purpose of acquiring a subsidiary. That loan was valued at EUR 10,417 k as of the balance sheet date and has a residual term of four years and six months.

3. Inventories

Inventories totaling EUR 506 k (prior year: EUR 507 k) stem primarily from **work in process** of EUR 388 k (prior year: EUR 438 k). There were also **payments on account** of EUR 119 k as of the balance sheet date (prior year: EUR 69 k).

4. Receivables and other assets

Trade receivables are all due in less than one year.

Receivables from affiliates valued at EUR 1,737 k (prior year: EUR 1,051 k) and **receivables from other investees and investors** valued at EUR 3,092 k (prior year: EUR 4,271 k) stem from trade and are due in less than one year.

Other assets chiefly consist of tax refund claims in relation to the research grant of EUR 115 k (prior year: EUR 144 k), refund claims of EUR 1,898 k from corporate income tax and solidarity surcharge (prior year: EUR 1,539 k), repayment claims of EUR 23 k (prior year: EUR 170 k) and receivables from deposits of EUR 31 k (prior year: EUR 30 k). The other assets item also includes an option of EUR 2,840 k (prior year: EUR 3,188 k). This option reflects the value of the right to acquire the remaining 25.1% of shares in ISR Information Products AG. This option can be exercised in the period between 1 October 2029 and 30 September 2032. With the exception of the option, as in the prior year, other assets are due in less than one year.

5. Prepaid expenses

in EUR k	31 Dec. 2024	31 Dec. 2023
Accrued rights of use for licenses and software maintenance	4,719	4,724
Other prepaid expenses	1,081	1,035
Total	**5,800**	**5,759**

This mainly concerns prepaid expenses for royalties and maintenance fees as well as for rights of use and insurance.

6. Deferred taxes

Deferred taxes stem chiefly from accounting and valuation differences between the statutory accounts and the tax accounts. These differences relate mostly to other provisions.

On the whole there are net deferred tax assets, and the option not to capitalize these deferred tax assets was exercised.

Deferred tax assets must be calculated based on a tax rate of 31% (prior year: 31%).

7. Equity

Capital stock

As per the most recent entry in the commercial register on 14 August 2006, the capital stock of the Company amounts to EUR 8,367,758.00 and has been fully paid in. It is divided into 8,367,758 no-par value shares of EUR 1.00 each. The shares are made out to the bearer and are all no-par value common shares.

Authorized capital

By resolution of the General Meeting of Shareholders on 6 June 2024, the Management Board was authorized, with the approval of the Supervisory Board, to increase the capital stock of the Company by up to EUR 1,673,551.00 in total by 5 June 2029 by issuing, on one or more occasions, up to 1,673,551 new no-par value bearer shares in total (authorized capital 2024). The shareholders must be given a subscription right. The new shares can also be assumed by one or several financial institutions or equivalent companies pursuant to Sec. 186 (5) Sentence 1 AktG with the obligation of offering them to the shareholders for subscription. However, the Management Board was authorized, with the approval of the Supervisory Board, to preclude the shareholders' subscription right in particular

- for fractional shares,
- to acquire contributions in kind for the purpose of acquiring companies, parts of companies or equity investments in companies or to acquire other assets or to perform business combinations,
- if a capital increase in return for cash contributions does not exceed 10% of the capital stock and the issue amount is not substantially less than the quoted market price (Sec. 186 (3) Sentence 4 AktG); when using this authorization precluding shareholders' subscription right pursuant to Sec. 186 (3) Sentence 4 AktG, the preclusion of the subscription right based on other authorizations pursuant to Sec. 186 (3) Sentence 4 AktG must be taken into account.

The Management Board was authorized, with the approval of the Supervisory Board, to decide on the further details for performing capital increases from authorized capital. The Supervisory Board was authorized to change the version of the articles of incorporation and bylaws in accordance with the performance of the increase in capital stock by exercising authorized capital and after the authorization deadline has expired.

Capital reserves

The capital reserves remained unchanged in the fiscal year, at EUR 1,058 k.

Legal reserve

At EUR 418 k, the legal reserve has also remained unchanged in comparison to the prior year.

Other revenue reserves

Other revenue reserves of EUR 13,871 k did not change since the prior year.

Net retained profit

Net retained profit developed as follows:

in EUR k	2024	2023
Net income for the year	**1,592**	**2,283**
Net retained profit in the prior year	7,015	8,915
Dividend	335	4,184
Profit carryforward from the prior year	**6,680**	**4,731**
Net retained profit	**8,272**	**7,015**

8. Provisions

The **tax provisions** for corporate income tax (EUR 109 k) and trade tax (EUR 273 k) reported in the prior year were assessed in the fiscal year. No tax provisions were recognized as of the balance sheet date.

Other provisions essentially comprise provisions for outstanding supplier invoices of EUR 949 k (prior year: EUR 819 k), for personnel expenses of EUR 2,699 k (prior year: EUR 4,034 k) and for potential losses from vacant rental properties of EUR 425 k (prior year: EUR 0 k).

9. Liabilities

Of the **liabilities to banks** of EUR 40,012 k (prior year: EUR 37,391 k), a figure of EUR 40,000 k (prior year: EUR 37,391 k) relates to interest-bearing bank loans. In the fiscal year, the financing in place was converted into a syndicated loan and topped up to EUR 40,000 k. The loan agreement provides for a basic term of three years, which can be extended twice by a further year each time, subject to the agreement of the banks. For this reason, CENIT classifies this loan as having a residual term of five years. The borrowing rate for this financing is calculated based on the 3-month EURIBOR plus a mark-up. The derivative financial instruments (fixed payer interest swaps) entered into in the prior year to hedge against future cash flows from floating interest rate loans still exist unchanged. The hedging transaction pursuant to Sec. 254 HGB was transferred to the new financing. The credit volume secured from the valuation unit formed from the hedged item and the hedging transaction pursuant to Sec. 254 HGB amounts to EUR 33,478 k as of the balance sheet date. The rules for forming a valuation unit for compensatory valuation of the hedging relationship were applied. Because the terms, interest rates, interest and principal repayment dates still match, the opposing changes in value and/or cash flows cancel each other out in full over the term of the hedged item and hedging transaction. The fair value of the fixed payer interest swaps is EUR -1,204 k as of the balance sheet date (prior year: EUR -1,212 k). The loan was also secured by guarantees from subsidiaries.

Payments on account received relate to prepayments on customer orders of EUR 1,534 k (prior year: EUR 2,146 k) with a remaining term of less than one year.

As in the prior year, **trade payables** have a remaining term of less than one year.

Liabilities to affiliates include trade payables of EUR 1,205 k (prior year: EUR 864 k). As in the prior year, trade payables to affiliates are due in less than one year. Liabilities to affiliates also include short-term loans of EUR 3,100 k (prior year: EUR 0 k) with a remaining term of up to one year.

The **liabilities to other investees and investors** contain trade payables amounting to EUR 33 k (prior year: EUR 27 k). As in the prior year, the corresponding liabilities are due within one year.

Other liabilities do not include any deferred items.

Other liabilities include an option of EUR 2,463 k (prior year: EUR 2,463 k) in connection with the possible acquisition of the remaining 25.1% of ISR Information Products AG. This option can be exercised in the period between 1 April 2026 and 31 March 2029. The sundry other liabilities of EUR 1,049 k (prior year: EUR 2,339 k) are due in less than one year.

Of the liabilities disclosed, there are no amounts (prior year: EUR 0 k) secured by liens or similar rights.

in EUR k	< 1 year	1 - 5 years	> 5 years	Total
Liabilities to banks	6,012 (prior year: 5,217)	34,000 (prior year: 20,870)	0 (prior year: 11,304)	40,012 (prior year: 37,391)
Payments received on account of orders	1,534 (prior year: 2,146)	0 (prior year: 0)	0 (prior year: 0)	1,534 (prior year: 2,146)
Trade payables	3,681 (prior year: 3,329)	0 (prior year: 0)	0 (prior year: 0)	3,681 (prior year: 3,329)
Liabilities to affiliates	4,305 (prior year: 864)	0 (prior year: 0)	0 (prior year: 0)	4,305 (prior year: 864)
Liabilities to other investees and investors	33 (prior year: 27)	0 (prior year: 0)	0 (prior year: 0)	33 (prior year: 27)
Other liabilities	1,049 (prior year: 2,339)	2,463 (prior year: 2,463)	0 (prior year: 0)	3,512 (prior year: 4,802)
Total	**16,614 (prior year: 13,922)**	**36,463 (prior year: 23,333)**	**0 (prior year: 11,304)**	**53,077 (prior year: 48,559)**

II. Income statement

1. Revenue

in EUR k	2024	2023
Third-party software	50,219	47,614
thereof software	*7,234*	*6,686*
thereof software leasing	*6,445*	*6,238*
thereof software updates	*36,540*	*34,690*
CENIT consulting and service	31,750	34,139
CENIT software	15,710	14,017
thereof software	*4,722*	*3,656*
thereof software leasing	*1,088*	*783*
thereof software updates	*9,900*	*9,578*
Merchandise	23	92
Other revenue	662	642
Total	**98,364**	**96,504**

86% (prior year: 85%) of sales was generated in Germany, 6% (prior year: 7%) in other EU countries and 8% (prior year: 8%) in other countries.

Revenue does not include any revenue relating to other periods (prior year: EUR 0 k).

2. Other operating income

Other operating income includes income relating to other periods from the reversal of provisions of EUR 20 k (prior year: EUR 31 k).

In addition, other operating income mostly includes income from the research and development grant for the fiscal year 2024 of EUR 36 k (prior year: EUR 79 k), insurance refunds of EUR 8 k (prior year: EUR 7 k), marketing and sales subsidies from partner companies of EUR 30 k (prior year: EUR 144 k), from the disposal of assets of EUR 4 k (prior year: EUR 516 k) and from exchange gains of EUR 160 k (prior year: EUR 87 k). Exchange gains of EUR 115 k (prior year: EUR 87 k) were realized in full.

3. Personnel expenses

in EUR k	2024	2023
Salaries	28,416	30,393
Social security, pension and other benefit costs	5,258	5,398
Total	**33,674**	**35,791**

Social security contributions include pension costs of EUR 2,560 k (prior year: EUR 2,582 k).

Personnel expenses include revenue relating to other periods of EUR 187 k (prior year: EUR 247 k) from the bonus payment for the fiscal year 2023.

4. Other operating expenses

Other operating expenses essentially relate to other operating costs of EUR 4,375 k (prior year: EUR 2,060 k), premises expenses of EUR 2,416 k (prior year: EUR 2,011 k), vehicle costs of EUR 1,482 k (prior year: EUR 1,481 k), travel expenses of EUR 760 k (prior year: EUR 672 k), marketing costs of EUR 638 k (prior year: EUR 552 k) and exchange losses of EUR 190 k (prior year: EUR 190 k). Of the exchange losses, EUR 190 k (prior year: EUR 183 k) has already been realized.

5. Financial and interest result

The financial and interest result breaks down as follows:

in EUR k	2024	2023
Income from equity investments		
Profit distribution CENIT SRL, Romania	634	379
Profit distribution ISR, Braunschweig	2,161	1,398
Profit distribution Coristo GmbH, Mannheim	2,000	0
Profit distribution PI Informatik GmbH, Berlin	400	0
Profit distribution Keonys SAS, France	1,500	0
Profit distribution MIP GmbH, Munich	200	0
Total	**6,895**	**1,777**

in EUR k	2024	2023
Other interest and similar income		
Interest income from bank deposits	143	115
Interest on loans granted to subsidiary	338	16
Total	**481**	**131**

in EUR k	2024	2023
Interest and similar expenses		
Guarantee commission	8	8
Interest expenses from long-term loans	2,243	914
Interest expenses from short-term loans	46	510
Interest expenses from unwinding the discount on provisions	8	8
Total	**2,305**	**1,440**

in EUR k	2024	2023
Write-downs of financial assets		
Write-down of equity investment in Ascon Systems Holding GmbH	2,750	0
Total	**2,750**	**0**

The write-downs of financial assets include impairment losses on financial assets in accordance with Sec. 253 (3) Sentence 5 HGB of EUR 2,750 k (prior year: EUR 0 k).

6. Income taxes

in EUR k	2024	2023
Current trade tax expense	0	36
Withholding tax	-12	-7
Taxes in prior years	158	54
Total	**146**	**11**

In the fiscal year 2024, there were no expenses for corporate income tax including solidarity surcharge (prior year: EUR 0 k) or for capital gains tax (prior year: EUR 36 k). The income relating to prior years stems from the tax loss carryback of EUR 158 k (prior year: EUR 48 k).

In the fiscal year, CENIT did not have any tax expenses or tax income in connection with the MinStG [“Mindeststeuergesetz”: German Minimum Tax Act] or foreign minimum tax acts and does not expect these to have any impact going forward.

7. Proposal for the appropriation of profit

The General Meeting of Shareholders will propose that the net retained profits of EUR 8,272 k be carried forward and that no dividend be distributed for the fiscal year 2024.

8. Auditor’s fees

in EUR k	2024	2023
Audit fees (annual financial statements and consolidated financial statements)	201	186
thereof relating to other periods: EUR 9 k (prior year: EUR 9 k)		
Total	**201**	**186**

D Other notes

1. Personnel

An average of 385 (prior year: 399) people were employed during the fiscal year. These break down into 345 members of staff (prior year: 355) and 40 executives (prior year: 44). There are also 37 employees in training at CENIT AG as of the balance sheet date (prior year: 35).

2. Contingent liabilities

There are no contingent liabilities as defined in Sec. 251 HGB.

3. Other financial obligations

There are other financial obligations in connection with rental agreements and leases. The resulting financial obligations are included in the following table:

in EUR k	2024	2023
Rental and lease obligations		
Due in less than 1 year	3,072	2,234
Due in 1 to 5 years	3,899	2,962
Due in more than 5 years	0	0
Total	**6,971**	**5,196**

Other financial obligations chiefly comprise the rent agreements entered into for leased office buildings of EUR 2,909 k (prior year: EUR 3,708 k) as well as vehicle leases of EUR 1,326 k (prior year: EUR 653 k). The extension options and price adjustment clauses customary for the industry apply.

The company cars and communications equipment were leased by means of lease agreements in order to guarantee that these are always up to date and to avoid tying up liquidity. Renting office space also avoids tying up cash and cash equivalents. These agreements result in cash outflows in future periods that are included in the above list.

4. Corporate boards

During the fiscal year, the following persons were **members of the Management Board**:

- Peter Schneck, Stuttgart, spokesperson for the Management Board of CENIT AG, Responsible for: operations, investor relations and marketing.

- Axel Otto, Bretten, member of the Management Board of CENIT AG since 1 January 2024. Responsible for: finance/controlling, IT, personnel and organization.

The following members make up the **Supervisory Board**:

- Rainer-Christian Koppitz (CEO), Munich, chair since 20 May 2021
- Regina Weinmann (Partner at PRIMEPULSE SE), Munich, deputy chair since 17 May 2023
- Laura Schmidt (Vice President Professional Services SAP Solutions at CENIT Aktiengesellschaft), Eppingen, employee representative, since 17 May 2023

Mr. Rainer-Christian Koppitz was chair of the management board of the KATEK SE Group (until 29 February 2024) and is CEO of TeleAlarm Holding GmbH. He is also chair of the supervisory board of NFON AG, a member of the supervisory board of i-pointing Ltd. and of Gigaset AG and is on the advisory board of Circus SE.

All other members of the Supervisory Board did not belong to any other supervisory boards or control bodies during the reporting year.

Disclosures on the remuneration of the Management Board and the Supervisory Board of CENIT AG are presented individually in the remuneration report.

The remuneration system for the Management Board of CENIT AG comprises a performance-based component and a component that is independent of performance. The short-term performance-based part is based on the Group's earnings for the year (EBIT) in accordance with IFRS, while the long-term performance-based part comprises a multi-year performance stock arrangement. Total remuneration of the active members of the Management Board amounts to EUR 1,013 k in the reporting year (prior year: EUR 1,296 k). Of this figure, EUR 701 k (prior year: EUR 687 k) relates to fixed components while EUR 237 k (prior year: EUR 362 k) relates to short-term performance-based components. As part of the long-term remuneration, the Management Board was granted 38,598 performance shares (prior year: 14,965). The fair value of the performance stock program is EUR 217 k as of the cut-off date (prior year: EUR 247 k). The fair value of the performance shares granted for the 2024 financial year included in the total remuneration of the Management Board is EUR 75 k (previous year: EUR 247 k). In the 2024 reporting period, total remuneration does not contain any remuneration in accordance with Sec. 285 No. 9b HGB to former Management Board members.

Pursuant to the articles of incorporation and bylaws, the Supervisory Board receives fixed compensation. Each member of the Supervisory Board receives a fixed amount payable after the end of the fiscal year. Since 1 June 2023, each member of the Supervisory Board receives basic compensation of EUR 30 k. The chair receives four times that amount, while the deputy chair receives twice that amount. In accordance with Article 14 of the articles of incorporation and bylaws, total compensation paid to the Supervisory Board was EUR 210 k in 2024 (prior year: EUR 160 k).

The D&O insurance was continued in 2024 for Management Board members and Supervisory Board members as well as other executives. The premiums of EUR 99 k (prior year: EUR 98 k) were borne by the Company.

The Management Board held 46,788 shares as of the end of the reporting period (0.56%). The Supervisory Board members held 13,000 shares.

5. Changes at shareholder level

In a letter dated 17 May 2024, Baden-Württembergische Versorgungsanstalt für Ärzte, Zahnärzte und Tierärzte, Tübingen, Germany, informed us pursuant to Sec. 40 (1) WpHG that its share of voting rights in CENIT AG, Stuttgart, Germany, exceeded the threshold of 5% on 14 May 2024 and amounted to 5.61% on that date (corresponding to 469,666 voting rights).

During the 2024 reporting period, several notices pursuant to Sec. 40 (1) WpHG were received from Mainfirst SICAV. The last notice was dated 18 November 2024 and was as follows: Mainfirst SICAV, Strassen, Luxembourg, informed us pursuant to Sec. 40 (1) WpHG that its share of voting rights in CENIT AG, Stuttgart, Germany, fell below the threshold of 3% on 14 November 2024 and amounted to 2.98% on that date (corresponding to 248,975 voting rights).

In a letter dated 11 December 2024, Universal-Investment-Gesellschaft mit beschränkter Haftung, Frankfurt am Main, Germany, informed us pursuant to Sec. 40 (1) WpHG that its share of voting rights in CENIT AG, Stuttgart, Germany, exceeded the threshold of 3% on 9 December 2024 and amounted to 3.04% on that date (corresponding to 254,735 voting rights).

During the 2021 reporting period, several notices pursuant to Sec. 40 (1) WpHG were received from PRIMEPULSE SE. The last notice is dated 11 August 2021 and is as follows: PRIMEPULSE SE, Munich, Germany, informed us pursuant to Sec. 40 (1) WpHG that its share of voting rights in CENIT AG, Stuttgart, Germany, exceeded the threshold of 20% on 10 August 2021 and amounted to 25.01% on that date (corresponding to 2,092,950 voting rights).

E Group relationships

In compliance with Sec. 315e (1) HGB, the Company prepares consolidated financial statements for the largest and smallest group of companies in accordance with International Financial Reporting Standards (IFRS).

The consolidated financial statements of CENIT AG are published in the Federal Gazette.

F Subsequent events

In the first quarter of 2025, CENIT AG responded to the current market changes and the palpable competitive pressure. In order to remain competitive going forward, the organization and headcount were adjusted to the current situation. Expenses of EUR 3.0 million are expected at CENIT AG in the first quarter for these adjustment measures. Over the further course of the year, CENIT AG expects cost-savings from these measures amounting to EUR 1.8 million, with an earnings effect of EUR 1.2 million impacting the net income for 2025. This effect is part of the 2025 enterprise planning and is included in the report on expected developments in the management report.

G Declaration pursuant to Sec. 161 AktG on the German Corporate Governance Code

The Management Board and Supervisory Board of the Company have issued the declaration for 2024 required by Sec. 161 AktG and made it available on the Company's homepage (http://www.cenit.com/en_EN/investors/corporate-governance.html).

Stuttgart, 9 April 2025

CENIT Aktiengesellschaft
The Management Board

Peter Schneck	Axel Otto
Spokesperson, Management Board	Member, Management Board

	CENIT Aktiengesellschaft, Stuttgart STATEMENT OF CHANGES IN FIXED ASSETS					
	Acquisition and production cost					
in EUR	**As of 1 Jan. 2024**	**Additions**	**Additions/disposals from merger**	**Reclassification**	**Disposals**	**As of 31 Dec. 2024**
I. Intangible assets						
Purchased franchises, industrial and similar rights and assets and licenses in such rights and assets	3,127,069.09	275,437.51	0.00	0.00	23,597.28	3,378,909.31
Total	**3,127,069.09**	**275,437.51**	**0.00**	**0.00**	**23,597.28**	**3,378,909.31**
II. Property, plant and equipment						
1. Land and buildings, including buildings on third-party land	992,567.09	0.00	0.00	0.00	0.00	992,567.09
2. Plant and machinery	5,768,694.05	403,682.44	0.00	0.00	448,195.45	5,724,181.04
3. Other equipment, furniture and fixtures	325,881.65	29,069.45	0.00	0.00	13,651.08	341,300.02
Total	**7,087,142.79**	**432,751.89**	**0.00**	**0.00**	**461,846.53**	**7,058,048.15**
III. Financial assets						
1. Shares in affiliates	53,040,791.72	208,127.99	0.00	0.00	0.00	53,248,919.71
2. Equity investments	2,802,757.89	0.00	0.00	0.00	0.00	2,802,757.89
3. Loans to affiliates	273,000.00	11,521,490.12	0.00	0.00	1,260,785.25	10,533,704.87
Total	**56,116,549.61**	**11,729,618.11**	**0.00**	**0.00**	**1,260,785.25**	**66,585,382.47**
Fixed assets - total -	**66,330,761.49**	**12,437,807.51**	**0.00**	**0.00**	**1,746,229.06**	**77,022,339.96**

Accumulated amortization, depreciation and write-downs					Net book values	
As of 1 Jan. 2024	**Additions**	**Additions from merger**	**Disposals**	**As of 31 Dec. 2024**	**As of 31 Dec. 2024**	**As of 31 Dec. 2023**
2,833,550.16	186,287.99	0.00	23,591.16	2,996,246.99	382,662.32	293,518.93
2,833,550.16	**186,287.99**	**0.00**	**23,591.16**	**2,996,246.99**	**382,662.32**	**293,518.93**
986,345.10	1,767.23	0.00	0.00	988,112.33	4,454.76	6,221.99
5,097,674.45	292,094.02	0.00	448,083.76	4,941,684.71	782,496.33	671,019.60
271,935.50	30,755.36	0.00	13,648.02	289,042.84	52,257.18	53,946.15
6,355,955.05	**324,616.61**	**0.00**	**461,731.78**	**6,218,839.88**	**839,208.27**	**731,187.74**
0.00	0.00	0.00	0.00	0.00	53,248,919.71	53,040,791.72
0.00	2,750,203.64	0.00	0.00	2,750,203.64	52,554.25	2,802,757.89
0.00	0.00	0.00	0.00	0.00	10,533,704.87	273,000.00
0.00	**2,750,203.64**	**0.00**	**0.00**	**2,750,203.64**	**63,835,178.83**	**56,116,549.61**
9,189,505.33	**3,261,108.24**	**0.00**	**485,322.94**	**11,965,290.51**	**65,057,049.42**	**57,141,256.28**

Independent auditor’s report

To CENIT AG, Stuttgart

Report on the audit of the annual financial statements and of the combined management report

Opinions

We have audited the annual financial statements of CENIT AG, Stuttgart, which comprise the balance sheet as at 31 December 2024, the income statement for the fiscal year from 1 January 2024 to 31 December 2024 and the notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the combined management report of CENIT AG, Stuttgart, for the fiscal year from 1 January 2024 to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of the sections 1.7 b) “Personnel policy”, “Remuneration system – profit sharing”, 6.1 “Key characteristics of the internal control and risk management system”, 6.7 “Quality management and information security”, 6.8 “Statement on the appropriateness and effectiveness of the internal control and risk management system” in the combined management report or the corporate governance statement prescribed by Sec. 289f HGB and/or Sec. 315d HGB or the consolidated non-financial statement prescribed by Sec. 315b HGB, referred to in the combined management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2024 and of its financial performance for the fiscal year from 1 January 2024 to 31 December 2024 in compliance with German legally required accounting principles, and
- the accompanying combined management report as a whole provides an appropriate view of the Company’s position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the aforementioned components of the combined management report for which we have not audited the content.

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

Basis for the opinions

We conducted our audit of the annual financial statements and of the combined management report in accordance with Sec. 317 HGB and the EU Audit Regulation (No 537/2014, referred to subsequently as “EU Audit Regulation”) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s responsibilities for the audit of the annual financial statements and of the combined management report” section of our auditor’s report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 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 annual financial statements and on the combined management report.

Key audit matters in the audit of the annual financial statements

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

We have presented the key audit matters from our perspective below.

❶ Revenue recognition

❷ Recoverability of the shares in affiliates

We have structured our presentation of the key audit matters as follows:

① Risk for the annual financial statements
② Audit approach
③ Related disclosures

❶ Revenue recognition

① Risk for the annual financial statements

The Company reports revenue of EUR 98.4 million for the fiscal year from 1 January 2024 to 31 December 2024.

CENIT AG primarily generates revenue from the licensing of software (proprietary software and third-party software), software updates, the provision of IT services as well as the provision of consulting services for the planning, implementation and optimization of business and IT processes.

Due to the large number of product types and the complexity of the revenue streams, there is a risk for the annual financial statements that revenue is recognized without having provided the actual service. There is also a risk that revenue is not recognized in the correct period. As a result, this matter was a key audit matter as part of our audit.

② Audit approach

To audit revenue recognition, we assessed the design, implementation and effectiveness of the internal controls in terms of revenue recording and cut-off based on our understanding of the process. We also considered the IT systems environment relevant for financial reporting purposes in this context.

We assessed the recognition of revenue for all main product types, i.e. from licensing of software (proprietary software and third-party software), software updates, the provision of IT services as well as the provision of consulting services by comparing the invoices with the corresponding orders, offers, proof of performance and incoming payments using spot checks. We used revenue in the fiscal year 2024 as a base, which was selected using an actuarial method.

We assessed the timing of revenue recognition for revenue from licensing of software, the provision of IT services as well as the provision of consulting services by comparing the invoices with the corresponding orders and/or offers and proof of performance using spot checks. We used revenue in December 2024 and January 2025 as a base, which was selected based on a conscious approach.

To substantiate the existence of the revenue as of the balance sheet date, we obtained balance confirmations selected using an actuarial method for the trade receivables not yet settled as of the balance sheet date. For outstanding replies from the balance confirmation work, we carried out alternative audit procedures by reconciling revenue among other things with the underlying orders, invoices and proof of performance (e.g. delivery notes, acceptance records or proof of hours) as well as the payments received.

Our audit procedures did not lead to any objections in relation to revenue recognition.

③ Related disclosures

Details by CENIT AG regarding revenue recognition are included under B “Accounting principles” and in II. 1. “Revenue” under C “Notes to the balance sheet and income statement” in the notes to the financial statements.

❷ Recoverability of the shares in affiliates

① Risk for the annual financial statements

The Company reports shares in affiliates of EUR 53.2 million in the annual financial statements as of 31 December 2024. This represents a share of 54.9% of total assets.

As of the balance sheet date, CENIT AG determined the recoverability of the shares by means of internal business valuations. The fair value of the shares was determined as the present value of future cash flows using the discounted cash flow method, based on enterprise planning prepared by management. The planning covers a period of one year and is then rolled forward using medium-term assumptions over the next four years and long-term growth rates (terminal value). Expectations around future market developments are also included. Cash flows were discounted using the weighted average cost of capital calculated by an independent expert. Based on the Company’s calculations and the further documentation, there was no need for the Company to record any write-downs for the fiscal year 2024.

The findings from this assessment are highly dependent on the estimate of future cash flows and of the growth rates by the Management Board and on the discount rate used. They are thus subject to considerable estimation uncertainties. Consequently, there is a risk that the shares in affiliates are not recoverable at the amount reported. In view of these facts and due to the significance of the measurement of the shares for the presentation of the assets and liabilities and financial performance in the annual financial statements of CENIT AG, this matter was a key audit matter as part of our audit.

② Audit approach

To audit the fair values of the shares in affiliates, we assessed the design of the internal controls based on our understanding of the process.

We assessed the competency, ability and objectivity of the independent expert engaged by the executive directors to derive the weighted average cost of capital.

To assess the quality and reliability of the enterprise planning, we compared the planning for the prior fiscal year with the actual results and analyzed any variances (planning reliability) in cases where the prior-year planning was available. We discussed the assumptions and premises underlying the planning with those responsible and tested these for plausibility. To do this, we reconciled the assumptions made with the macroeconomic and sector-specific market expectations, among other things. We also examined whether future net cash flows were derived appropriately from the assumptions and premises.

We involved an internal valuation specialist to verify the valuation methods used. In the knowledge that even small changes in the discount rate used can have material effects on the amount of the business value calculated, we examined the parameters used to determine the discount rate, including the weighted cost of capital, and checked whether these were within the customary market range.

We checked whether the future cash flows underlying the valuations and taken together with the cost of capital used provide an appropriate basis for valuation overall.

We checked the clerical accuracy of the calculation method used to determine the business values and the fair values of the shares in affiliates.

Our audit procedures did not lead to any objections in relation to the recoverability of the shares in affiliates.

③ Related disclosures

Details by CENIT AG regarding the shares in affiliates and their recoverability are included under B "Accounting principles" and in I. 2. "Financial assets" under C "Notes to the balance sheet and income statement" in the notes to the financial statements.

Other information

The executive directors and/or the Supervisory Board are responsible for the other information. The other information comprises:

- the corporate governance statement prescribed by Sec. 289f HGB and/or Sec. 315d HGB referred to in the combined management report,
- the separate consolidated non-financial statement prescribed by Sec. 315b HGB referred to in the combined management report, which is expected to be provided to us after the date of this auditor's report,
- the sections 1.7 b) "Personnel policy", "Remuneration system – profit sharing", 6.1 "Key characteristics of the internal control and risk management system", 6.7 "Quality management and information security" and 6.8 "Statement on the appropriateness and effectiveness of the internal control and risk management system" in the combined management report,
- the assurances by the executive directors prescribed by Sec. 264 (2) Sentence 3 HGB and Sec. 289 (1) Sentence 5 HGB on the annual financial statements and the combined management report,
- the report of the Supervisory Board and
- the other parts of the 'annual report',
- but not the annual financial statements, the combined management report disclosures for which we have audited the content or our corresponding auditor's report.

The Supervisory Board is responsible for the report of the Supervisory Board. The declaration pursuant to Sec. 161 AktG on the German Corporate Governance Code, which is part of the corporate governance statement, is the responsibility of the executive directors and of the Supervisory Board. Otherwise the executive directors are responsible for other information.

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

In connection with our audit, our responsibility is to read the aforementioned other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, the combined management report disclosures for which we have audited the content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If we conclude, based on the work carried out by us on the other information obtained before the date of this auditor's report, that this other information is materially misstated, we are obliged to report this fact. We do not have anything to report in this regard.

Responsibilities of the executive directors and the Supervisory Board for the annual financial statements and the combined management report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles. In addition, the executive directors are responsible for such internal controls as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraudulent acts (i.e. manipulation of the financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined 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 combined management report.

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

Auditor's responsibility for the audit of the annual financial statements and of the combined management report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraudulent acts or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraudulent acts or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this combined management report.

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

- Identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, whether due to fraudulent acts or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraudulent acts is higher than for one resulting from error, as fraudulent acts may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the combined 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 the Company's internal controls and/or its arrangements and measures.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' 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 Company'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 annual financial statements and in the combined 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 Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles.
- Evaluate the consistency of the combined management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors 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 things, 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 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 related actions or safeguards taken to eliminate risks to independence.

From 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 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 legal and regulatory requirements

Assurance report in accordance with Sec. 317 (3a) HGB of the electronic rendering of the annual financial statements and the combined management report prepared for disclosure purposes

Opinion

We have performed an assurance engagement in accordance with Sec. 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the annual financial statements and the combined management report contained in the file **„JA.zip“ (SHA256: 559f3f565ff1f03f9af8e9863dbbe605eb24d8ddb8418e28f4c4cf9a923e1f55)** and prepared for disclosure purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance engagement extends only to the conversion of the information contained in the annual financial statements and the combined 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 above-mentioned file.

In our opinion, the reproduction of the annual financial statements and the combined management report contained in the above-mentioned file and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format. We do not express any opinion on the information contained in this rendering nor on any other information contained in the above-mentioned file beyond this reasonable assurance conclusion and our audit opinion on the accompanying annual financial statements and the accompanying combined management report for the fiscal year from 1 January 2024 to 31 December 2024 contained in the "Report on the audit of the annual financial statements and of the combined management report" above.

Basis for the opinion

We conducted our assessment of the rendering of the annual financial statements and the combined management report contained in the above-mentioned file in accordance with Sec. 317 (3a) HGB and the IDW Assurance Standard: Assurance in accordance with Sec. 317 (3a) HGB on the Electronic Rendering of Financial Statements and Management Reports Prepared for Disclosure Purposes (IDW AsS 410 (06.2022)). Our responsibility is described in more detail in the section "Responsibility of the auditor for the audit of the ESEF documents". Our audit firm has applied the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)).

Responsibilities of the executive directors and the Supervisory Board for the ESEF documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the annual financial statements and the combined management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB.

In addition, the executive directors of the Company are responsible for the internal controls they consider necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of Sec. 328 (1) HGB for the electronic reporting format, whether due to fraudulent acts or error.

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

Responsibility of the auditor for the audit of the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of Sec. 328 (1) HGB, whether due to fraudulent acts or error. We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material non-compliance with the requirements of Sec. 328 (1) HGB, whether due to fraudulent acts or error, 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 conclusion.
- Obtain an understanding of internal controls relevant to the assessment of the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion 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, in the version valid as of the balance sheet date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents enable an XHTML rendering with content equivalent to the audited annual financial statements and the audited combined management report.

Further information pursuant to Art. 10 of the EU audit regulation

We were elected as auditor by the Annual General Meeting of Shareholders on 6 June 2024. We were engaged by the Supervisory Board on 19 June 2024. We have been the auditor of CENIT AG, Stuttgart, without interruption since the fiscal year 2022.

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

Other matter – use of the auditor’s report

Our auditor’s report must always be read together with the audited annual financial statements and the audited combined management report as well as the assured ESEF documents. The annual financial statements and combined management report converted to the ESEF format – including the versions to be published in the company register – are merely electronic renderings of the audited annual financial statements and the combined audited 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 assured ESEF documents made available in electronic form.

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Marcel Hohbein.

Düsseldorf, 9 April 2025
Grant Thornton AG Wirtschaftsprüfungsgesellschaft

Prof. Dr. Thomas Senger	Marcel Hohbein
Wirtschaftsprüfer [German Public Auditor]	Wirtschaftsprüfer [German Public Auditor]

Responsibility Statement in the Annual Financial Report

(Financial Report)

esponsibility statements pursuant to Section 264 (2) sentence 3 HGB and Section 289 (1) sentence 5 HGB for the annual financial statements and the combined management report:

“To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the corporation, and the management report includes a fair review of the development and performance of the business and the position of the corporation, together with a description of the principal opportunities and risks associated with the expected development of the corporation.”

The Management Board

Peter Schneck
Spokesman, Management Board

Axel Otto
Member, Management Board

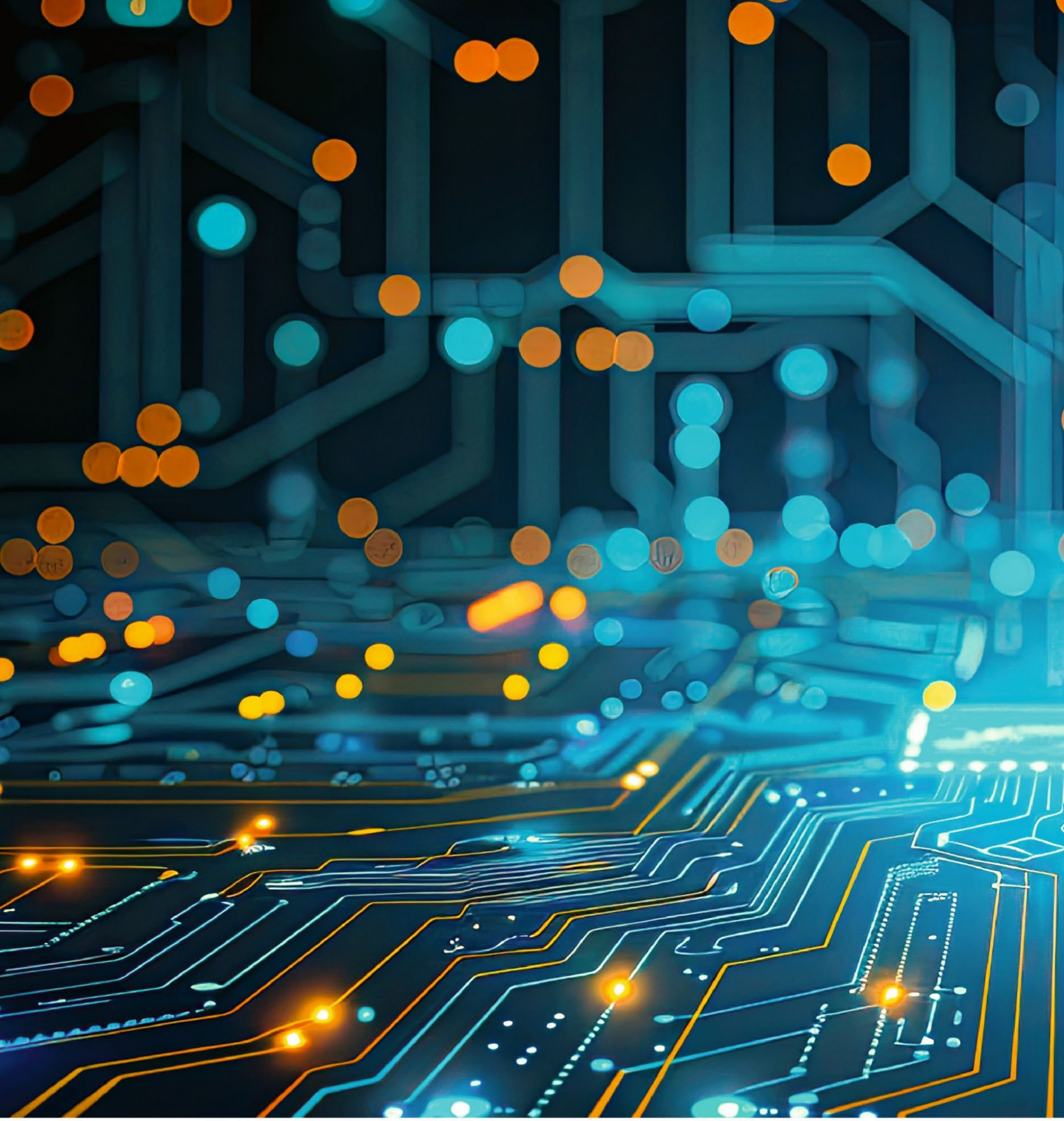
Legal Notice

Publisher/Editor:

CENIT AG
Industriestrasse 52-54
D-70565 Stuttgart
Phone: +49 711 7825-30
Fax: +49 711 7825-4000
www.cenit.com
info@cenit.com

Design:
CENIT AG

Release date: 10 April 2025



CENIT AG
Industriestrasse 52-54
D-70565 Stuttgart

P +49 711 7825-30
E info@cenit.de
www.cenit.com