

The logo for 'cenit' is positioned in the top right corner. It features the word 'cenit' in a bold, white, lowercase sans-serif font. A white horizontal line is positioned below the 'i' and extends to the right, ending under the 't'.

cenit

A teal-colored horizontal bar spans the width of the page near the bottom. Inside this bar, the text 'QUARTERLY STATEMENT Q3 2022' is written in a white, uppercase, sans-serif font.

QUARTERLY STATEMENT Q3 2022

CENIT GROUP – AT A GLANCE
1 JANUARY TO 30 SEPTEMBER 2022 (UNAUDITED)

in EUR k	Q3 2022	Q3 2021*	Change in %	01/01- 30/09/22	01/01- 30/09/21	Change in %
Key data						
Revenue	41,952	34,323	22.2	115,863	103,955	11.5
Third-party software	21,696	20,986	3.4	65,351	64,242	1.7
from licences	1,175	677	73.5	4,382	3,854	13.7
from recurring sales*	20,521	20,309	1.0	60,968	60,388	1.0
Proprietary software	4,122	3,699	11.4	12,105	11,364	6.5
from licences	1,233	1,033	19.4	3,552	3,398	4.6
from recurring sales*	2,889	2,666	8.4	8,553	7,965	7.4
Consulting and services	16,121	9,635	67.3	38,352	28,334	35.4
Merchandise	13	3	>100.0	55	15	>100.0
EBITDA	2,754	2,697	2.1	6,132	6,217	-1.4
EBIT	1,463	1,500	-2.5	2,582	2,436	6.0
<i>as % of sales</i>	<i>3,49</i>	<i>4,37</i>	<i>-20.1</i>	<i>2,23</i>	<i>2,34</i>	<i>-4.7</i>
Net income	989	1,250	-20.9	1,541	1,677	-8.1
<i>per share in EUR (basic and undiluted after minority interests)</i>	<i>10.0</i>	<i>14.6</i>	<i>-31.2</i>	<i>14.7</i>	<i>19.4</i>	<i>-24.3</i>
Cash flow data						
Cash flow from current business activities	2,036	-1,332	>-100.0	11,316	8,382	35.0
Cash flow from investment activity	-188	-93	>100.0	-28,422	-756	>100.0
Cash flow from financing activity	-2,246	-768	>100.0	12,945	-6,351	>100.0
Balance sheet ratios						
Liquid assets				22,766	26,361	-13.6
Net liquidity / Net debt				-14,455	17,363	>-100.0
Total assets				112,672	92,805	21.4
Equity ratio in %				34.0	47.0	-27.8
Employees on reporting date				858	685	25.3
Key share ratios						
Closing share price (Xetra) in EUR				12.90	13.70	-5.8
Market capitalization				107,944	114,638	-5.8

* For a better comparability, the previous year figures were adjusted based on the effect resulting from the change of accounting from principal to agent (see notes to the financial statement 2021)

** Subscription and software maintenance contracts

Report on assets and financial and earnings situation

Continued strong consulting and service business (vs previous year: +35.4%) and increased license sales define sales growth (vs previous year: + EUR 11,908 k, +11.5%) in the first nine months of 2022

The consulting and service business (vs previous year: +35.4%), which was already growing strongly in the first half-year, continued to do so very strongly in the third quarter (vs previous year: +67.3%) and was also boosted by a significant increase in the sale of third-party software licenses (vs previous year: +73.8%) and a general increase in the proprietary software business (vs previous year: +11.4%). Especially ISR Information Products AG, which was acquired on May 30 May, 2022, contributed to the expansion of the consulting and service business, with sales of EUR 7,406 k. In total, ISR Information Products AG has contributed EUR 7,971 k to sales and EUR 997 k to consolidated EBIT since joining the Group.

Against the above-mentioned background and taking into account lower other operating income (vs previous year: EUR -738 k), largely based on declining research allowances, a lower cost of materials ratio driven by the product mix (vs previous year -3.0 percentage points), as well as increased personnel expenses (vs previous year EUR +5,952 k) and increased operating expenses (vs previous year: EUR +2,809 k) mainly due to acquisitions costs, a 6.0% improvement in consolidated EBIT in the amount of EUR 2,582 k (previous year: EUR 2,436 k) was achieved, which corresponds to a Group EBIT margin of 2.2% (previous year: 2.3%). This could be accomplished despite the discontinuation of (expense-reducing) short-time allowance, which amounted to approx. EUR 1.3 million in 2021, and acquisition-related costs of EUR 159 k. This outlines the strength of the CENIT business model.

Segments at a glance

In the first nine months of 2022, the performance of the two segments PLM and EIM differed, with the PLM segment, achieving an increase in segment sales of 4.0%, and in particular due to generally increased costs, achieved an EBIT of EUR 725 k (previous year: EUR 1,753 k). In contrast, EIM was able to boost segment sales by 83.7% year-on-year, mainly due to the acquisition of ISR AG, which contributed EUR 7,971 k to sales in the first four months of Group membership, and thus generated a segment EBIT of EUR 1,857 k as of September 30, 2022 vs EUR 683 k in the same period of 2021.

Financial solidity as a result of an operating cash flow of EUR 11,316 k, as well as cash and cash equivalents of EUR 22,766 k

The permanent positive cash flow from operating activities (EUR 11,316 k, previous year: EUR 8,382 k), mainly results from a positive change in working capital (EUR 7,431 k). To finance acquisitions, CENIT took up a loan in the amount of EUR 23,000 k, which, after deduction of the first repayment of EUR 825 k, the dividend paid of EUR 6,276 k to the shareholders of CENIT AG and of EUR 523 k paid to minorities, along with the lease liability payments of EUR 2,431 k, results in a positive cash flow from financing activities of EUR 12,945 k. The cash flow from investing activities (EUR -28,422) is mainly due to the acquisition of shares in fully consolidated companies, amounting to EUR 27,927 k. As a result, cash and cash equivalents as of September 30, 2022, decreased by EUR 3,595 k to EUR 22,764 k compared to December 31, 2021.

Due to the taking up of loans, the equity ratio decreased to 34.0% and net liquidity decreased to EUR -14,455 k.

Compared to December 31, 2021, total assets increased by EUR 19,866 k. With regard to assets, this is mainly due to an increase in intangible assets, resulting from the capitalization of the provisionally determined goodwill (EUR 25,534 k) from the acquisition of 74.9% of the shares in ISR Information Products AG, Braunschweig, which took place on May 30, 2022. With regard to liabilities, the increase

is mainly related to the acquisition loan (EUR 22.2 million) reported under financial liabilities and to increased current contract liabilities from software maintenance agreements (EUR +5,342 k).

Events after the interim report period

In mid-October, Axelle Mazé assumed the position as Chief Financial Officer (CFO) of CENIT Group, thus replacing Dr. Markus Wesel whose mandate was terminated effective October 15, 2022 by mutual consent.

Employees

As of the reporting date September 30, 2022, the CENIT Group had 858 employees (12/31/2021: 685). Despite the noticeable effects of the pandemic on the labor market, we continue to strive to keep staff turnover as low as possible in order to be able to take advantage of the economic opportunities arising from the recovery of the global economy with a motivated and well-trained staff.

Report on opportunities and risks

For information on the principal opportunities and risks – in particular the impact of the COVID-19 pandemic – for the anticipated development of the CENIT Group, we refer to the relevant comments in the report on expected developments within the Group's management report for the period to 31 December 2021 and to the remarks in this quarterly statement.

Report on forecasts and other statements regarding anticipated development

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

For the current year 2022, we confirm our forecast for the CENIT Group given at the beginning of the year. We expect consolidated sales up to EUR 170.0 million and consolidated earnings (EBIT) of around EUR 9.0 million. This forecast is subject to the express provision that the global economic and industry-specific conditions do not deteriorate significantly in the current fiscal year 2022, particularly with regard to the growing inflation and economic risks in the context of the war in Ukraine and the continuing effects of the COVID 19 pandemic.

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

in EUR k	Q3 2022	Q3 2021*	01/01 - 30/09/2022	01/01 - 30/09/2021
REVENUE	41,952	34,323	115,863	103,955
Other operating income	76	228	814	1,552
OPERATING INCOME	42,028	34,551	116,677	105,507
Cost of materials	18,052	16,701	52,576	50,326
Personnel expenses	17,793	13,237	48,956	43,004
Amortisation of intangible assets and depreciation of property, plant and equipment	1,290	1,197	3,550	3,781
Other operating expenses	3,389	2,114	8,968	6,159
OPERATING EXPENSES	40,524	33,249	114,050	103,270
Impairments on receivables	-41	198	-45	199
NET OPERATING INCOME (EBIT)	1,463	1,500	2,582	2,436
Interest income	0	0	1	0
Interest expenses	120	34	221	112
NET PROFIT (LOSS) BEFORE TAXES (EBT)	1,343	1,466	2,362	2,324
Income taxes	354	216	821	647
NET INCOME	989	1,250	1,541	1,677
Amount attributable to CENIT AG shareholders	842	1,224	1,229	1,625
Amount attributable to non-controlling interests	147	25	312	52
<i>Earnings per share in cents, basic and diluted</i>	<i>10.0</i>	<i>14.6</i>	<i>14.7</i>	<i>19.4</i>
Items that, under certain circumstances, will be reclassified under the income statement in the future				
Compensation from currency translation for foreign subsidiaries	211	62	436	77
Other comprehensive income after taxes	211	62	436	77
Total comprehensive income	1,200	1,312	1,977	1,754
Amount attributable to CENIT AG shareholders	1,053	1,286	1,665	1,702
Amount attributable to non-controlling interests	147	25	312	52

*For a better comparability, the previous year figures were adjusted based on the effect resulting from the change of accounting from principal to agent (see notes to financial statement 2021)

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

in EUR k	30/09/2022	31/12/2021
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	35,374	10,268
Property, plant and equipment	13,052	11,884
Investments recognised to equity	60	60
Other financial assets	3,184	3,184
Deferred tax assets	1,038	886
NON-CURRENT ASSETS, total	52,708	26,282
CURRENT ASSETS		
Inventories	55	15
Trade receivables	17,636	24,713
Receivables from investments recognised to equity	2,851	2,873
Contract assets	2,501	2,133
Current tax assets	4,194	2,453
Other receivables	290	493
Cash holdings	22,766	26,361
Other assets	9,671	7,482
CURRENT ASSETS, total	59,964	66,523
TOTAL ASSETS	112,672	92,805

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

in EUR k	30/09/2022	31/12/2021
EQUITY AND LIABILITIES		
EQUITY		
Subscribed capital	8,368	8,368
Capital reserves	1,058	1,058
Currency translation reserve	1,595	1,159
Legal reserve	418	418
Other reserves	13,358	14,076
Profit carried forward	11,522	13,547
Net income	1,229	4,251
Equity attributable to shareholders in the parent company	37,548	42,877
Non-controlling interests	705	768
EQUITY, total	38,253	43,645
NON-CURRENT LIABILITIES		
Other liabilities	803	723
Pension liabilities	1,469	1,397
Lease liability, non-current	8,344	7,947
Deferred tax liabilities	21	10
NON-CURRENT LIABILITIES, total	10,637	10,077
CURRENT LIABILITIES		
Bank overdraft	2	2
Bank liabilities, current	22.175	0
Trade payables	3,822	6,044
Liabilities from investments recognised to equity	20	28
Other liabilities	12,801	13,893
Lease liability, current	2,973	2,674
Current income tax liabilities	506	480
Other provisions	264	85
Contract liabilities	21,219	15,877
CURRENT LIABILITIES, total	63,782	39,083
TOTAL EQUITY AND LIABILITIES	112,672	92,805

CENIT AKTIENGESELLSCHAFT, STUTTGART		
CONSOLIDATED STATEMENT OF CASH FLOWS (IN ACCORDANCE WITH IFRS) (UNAUDITED)		
in EUR k	01/01-30/09/2022	01/01-30/09/2021
Cash flow from operating activities		
Net income	1,541	1,677
Depreciation of fixed assets	3,550	3,781
Gains (-) and Losses (+) on disposals of assets	2	5
Interest income and expenses	220	112
Tax expenses	821	647
Increase in other non-current liabilities and reserves	25	28
Change in working capital	7,431	4,083
Interest paid	-106	-16
Income taxes paid	-2,168	-1,935
CASH FLOW FROM CURRENT BUSINESS ACTIVITIES	11,316	8,382
Payments for investments in property, plant and equipment and intangible assets		
	-495	-506
Payments for purchase of shares in fully consolidated entities (net cash out-flow)		
	-27,927	0
Payment for investments		
	0	-250
CASH FLOW FROM INVESTMENT ACTIVITIES	-28,422	-756
Lease liability payments		
	-2,431	-2,419
Dividends to shareholders in the parent company		
	- 6,276	-3,932
Dividends to non-controlling interests		
	-523	0
Receipt from taking up of financial liabilities		
	23,000	0
Financial liability repayments		
	-825	0
CASH FLOW FROM FINANCING ACTIVITIES	12,945	-6,351
CHANGES IN CASH AND CASH EQUIVALENTS		
	-4,161	1,275
Change in cash and cash equivalents due to foreign exchange differences		
	566	44
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD		
	26,359	26,056
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD		
	22,764	27,375

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

	Equity attributable to shareholders in the parent company								
in EUR k	Subscribed capital	Capital reserves	Currency translation reserve	Revenue reserves		Profit carried forward	Net income	Non-controlling interests	Total
				Legal reserve	Other reserves				
On 01/01/2021	8,368	1,058	941	418	13,793	15,160	2,318	666	42,722
Reclassification of Group net income from last year						2,318	-2,318		0
Total comprehensive income for the period			218		283		4,251	103	4,855
Purchase of additional shares by minority interests									0
Dividend distribution						-3,933			-3,933
On 31/12/2021	8,368	1,058	1,159	418	14,076	13,547	4,251	768	43,645
Reclassification of Group net income from last year						+4,251	-4,251		0
Total comprehensive income for the period			436				1,229	312	1,977
Increase in minority interests					-718			-882	-1,600
Access of non-controlling interests								1,029	1,029
Dividend distribution to non-controlling interests								-523	-523
Dividend distribution						-6,276			-6,276
On 30/09/2022	8,368	1,058	1,595	418	13,358	11,522	1,229	705	38,253



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