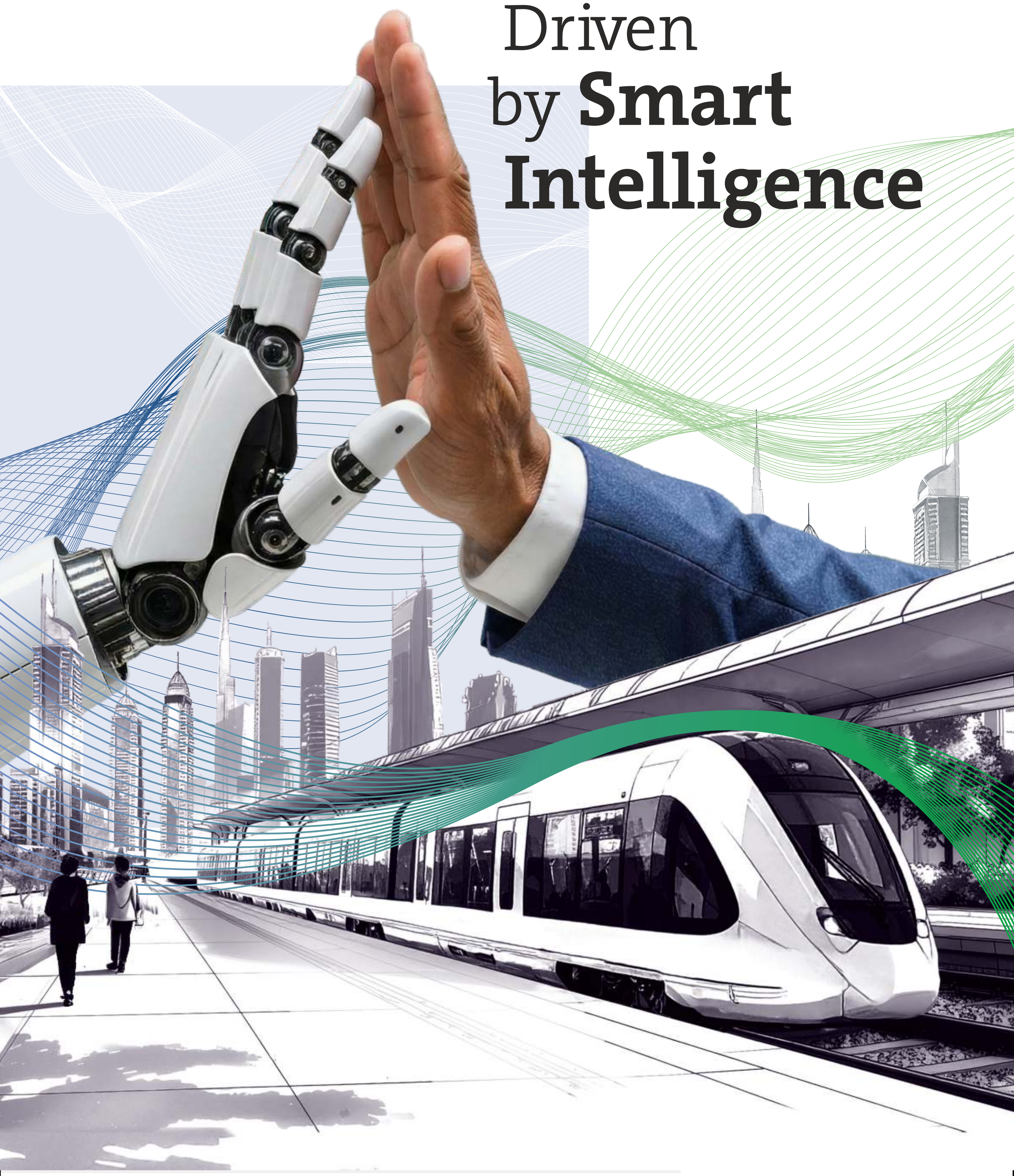
Annual Report 2025

Driven by **Smart Intelligence**



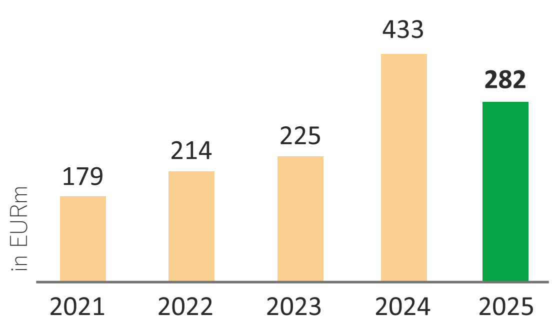
Annual Figures

of the init group (IFRS)

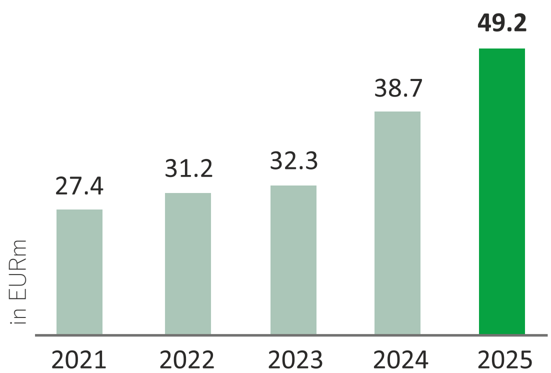
EURk	2025	2024	Difference in %
BALANCE SHEET (31/12)			
Balance Sheet Total	311,361	313,032	–0.5
Shareholders' Equity	141,154	134,312	5.1
Subscribet Capital	10,040	10,040	0.0
Equity Ratio (in %)	45.3	42.9	5.7
Debt Capital	170,207	178,720	–4.8
Non-current Assets	143,641	135,067	6.3
Current Assets	167,720	177,965	–5.8
Cash	25,451	23,523	8.2
INCOME STATEMENT (01/01 – 31/12)			
Revenues	329,671	265,674	24.1
Gross Profit	120,757	98,407	22.7
EBIT	32,521	24,541	32.5
EBITDA	49,232	38,737	27.1
Consolidated Net Profit	19,383	15,183	27.7
Earnings per Share (in EUR)	1.97	1.57	25.5
Dividend (in EUR)	0.80*	0.80	0.0
Special dividend (in EUR)	0.10*		100
CASH FLOW			
Cash Flow from operating activities	48,804	10,841	350.2
SHARE			
Issue Price (in EUR)	5.10	5.10	
Peak Share Price (in EUR)	53.00	42.20	
Bottom Share Price (in EUR)	34.50	28.40	

* dividend to be proposed to the AGM 2026

Order income



EBITDA



CONTENT

LETTER TO THE SHAREHOLDERS

from left to right: Dr. Marco Ferber, Jörg Munz, Dr. Gottfried Greschner, Martin Timmann, Matthias Kühn

Ladies and Gentlemen,
Dear shareholders,

I am delighted to present another record financial performance by init SE, in its 25th year on the stock market. Despite the great uncertainty caused by external factors such as international conflicts, arbitrary economic policy measures, and increasing instability in previously established global relationships, our company has remained firmly on course to success.

Alongside the new record highs in revenue and earnings, which have grown by more than 20 and 30 per cent respectively, I would like to highlight the development of a key performance indicator that is becoming increasingly important, particularly for investors. Thanks to targeted liquidity management measures, operating cash flow has increased by 350 per cent compared to the previous year, reaching almost 49 million euros. The company also recognises the increased importance of this figure, incorporating it into the performance-related remuneration of the management.

I would like to emphasise one thing at this point: our continued success around the world is due above all to our employees. This is reflected in the major projects currently underway, where we are meeting our deadlines despite new challenges arising daily. Our employees deserve thanks and recognition for this. We have already rewarded their achievements through voluntary financial profit-sharing schemes, and we will continue to do so provided performance remains strong.

Despite the mega-projects in Atlanta, Houston, London or Luxembourg, init is increasingly evolving from being a provider of technology towards becoming a service partner for public transport operators. This follows the perceived trend that ever more public transport operators are interested in transferring their services and operations to a technology platform provider to ensure 24/7 technical service and a state-of-the-art technology partnership for the long-term. Consequently, demand for our operational services has increased. With contract terms of up to 20 years, this ensures high customer loyalty and a predictable, long-term revenue stream.

The growing complexity of requirements for transport operators is also leading to changes in tendering and demand patterns. In addition, new customer groups and target markets are emerging, which we can now serve following completion of the acquisition of the DILAX group. In response, and, in order to manage the increasing complexity within the group at speed, the Managing Board has decided to establish a new management structure effective 1 January 2026 that is more closely aligned with the identified demands. This involves a reorganisation of the business into three business units (BUs): INIT Integrated Systems, INIT Cloud Solutions and INIT Passenger Intelligence. We expect that by bundling the strengths of individual units with BU teams that operate at their own responsibility we will be able to promote innovation, foster success for our customers and, in this way, ensure continued strong growth.

The use of artificial intelligence (AI) is becoming increasingly significant and is proving to be a growth driver in all three business units, especially in the Integrated Systems segment. Growth in this segment in 2026 will be driven by two mega-projects: iBus NextGen for Transport for London and MARTA, Atlanta. In this segment alone — our largest, where init is acting as a full-service systems provider — we expect revenue of between 280 to 300 million euros. We also intend to bring the new Cloud Solutions segment back on track. This segment mostly offers Software-as-a-Service (SaaS) to public transport companies of all sizes. With its strong presence and the marketing of SaaS in foreign markets, this business unit will also contribute to an increase in the group’s revenue. We also perceive significant growth potential in the Passenger Intelligence segment, whose business involves intelligent components and systems to capture passenger behaviour and passenger flows and provides analyses to optimise and monitor public transport services. This consists of both hardware, such as passenger counting sensors, cameras, recorders, monitors and video systems, as well as the software to analyse CCTV data, virtually in real time, such as passenger numbers, occupancy data, seating and AI-based events and aggression detection. This enables better planning and control of transport services and vehicle utilisation and also supports the prevention of vandalism. Above all, it enhances comfort and safety for passengers. This area of application can also be extended to long-distance rail transport.

Overall, we expect the init group to generate revenue of between 380 and 410 million euros in the 2026 financial year. This represents growth of between 15 and 25 per cent, which remains well above our long-term growth target of 10 to 15 per cent per year. Profitability should also continue to improve due to the reorganisation of the business units. We forecast earnings before interest and tax (EBIT) of 38-42 million euros in the current year, which would set another record.

In the medium term, we are encouraged by the consistently high number of tenders for digitalisation projects worldwide, from Europe to Oceania. This gives us cause for optimism, along with the fact that follow-up contracts are being increasingly awarded. init, as a leading international provider, can benefit from this in the long term.

We are therefore delivering on our promise made when our company went public on 24 July 2001: sustainable, above-average growth. For comparison, the init share started at 5.10 euro and has increased in value by almost 800 per cent. Added to this are dividend payments of around 9 euro per share. As a result, init has outperformed both the German stock index DAX and the SDAX.

In early March 2026, our sustainable growth trajectory was recognised when it was announced that init innovation in traffic systems SE would be admitted to the SDAX on 23 March 2026, joining the ranks of Germany's most liquid and fastest-growing public limited companies. This inclusion crowns the development that our company has undergone since its IPO on 24 July 2001.

In our silver anniversary year on the stock exchange, we would like to share this success with you by paying a special dividend.

We appreciate the trust you have placed in us!

Warm greetings from Karlsruhe.

On behalf of the Managing Board,

Dr. Gottfried Greschner

Chairperson of the Managing Board

MANAGING BOARD

Dr.-Ing.
Gottfried Greschner
Chief Executive Officer (CEO)

About

Year of birth: 1946

Nationality: German

Vita

- Since 1983 Managing Director at INIT GmbH
- Since 2001 CEO at init SE

Responsibility

- Business Development
- Legal Management
- Production
- Purchasing/Supply Chain
- Strategy

Awards

- 1989 Innovation award from the federal state of Baden-Wuerttemberg (Dr. Rudolf Eberle Preis)
- 2002 Entrepreneur of the Year, awarded by Ernst&Young
- 2014 Special Career Service Award as part of the Talent in Mobility Awards in Paris

Dipl.-Ing. (FH)
Matthias Kühn
Chief Operating Officer (COO) and Deputy CEO

About

Year of birth: 1973

Nationality: German

Vita

- From 2015 to 2024 Managing Director at INIT GmbH
- Since 2016 COO at init SE
- Since 10/2024 Deputy CEO

Responsibility

- IT-Services & Cyber Security
- Key Projects
- Operations and Field Services
- Software and Hardware Engineering

The curriculum vitae of each Managing Board member, containing detailed information, are available on the company website under Investor Relations / Corporate Governance.

MANAGING BOARD

Dipl.-Kfm.
Dr. Marco Ferber
Chief Financial Officer
(CFO)

About
Year of birth: 1974
Nationality: German

Vita
- From 2012 to 2015 Managing Director and CFO at Thomas Cook, Gent/Belgium
- From 2015 to 2023 Manager Accounting, Controlling & Tax, Bilfinger SE, Mannheim/Germany
- Since 2023 CFO at init SE

Responsibility
- Compliance
- Controlling
- Data Protection
- ESG-Reporting
- Financial Services
- Investor Relations
- M&A
- Quality Management
- Risk Management

Jörg Munz
Chief Human Resource
Officer (CHRO)

About
Year of birth: 1980
Nationality: German

Vita
- From 2017 to 2024 group HR Manager
- Since 2023 CHRO at init SE

Responsibility
- Human Resources
- Organisational Development

Martin Timmann
Chief Revenue Officer
(CRO)

About
Year of birth: 1967
Nationality: German

Vita
- From 2013 to 2024 Managing Director at HanseCom Public Transport Ticketing GmbH, Hamburg/Germany
- Since 10/2024 CRO at init SE

Responsibility
- Research & Product Marketing
- Sales and Marketing
- System Design
- Support

SUPERVISORY BOARD REPORT

Dear shareholders,

Over the past year the global economy felt the impacts of disruption and uncertainty. Even though this affected our business in one way or another, we on the Supervisory Board of init innovation in traffic systems SE, can nevertheless draw very satisfying conclusions from this annual report. The employees and the Managing Board have understood what is needed to ensure that init displays remarkable resilience in a world that is becoming ever more unpredictable.

Despite all the hurdles that global politics is placing in our way, we managed to set new records in terms of revenue and earnings. As a result, init is continuing along the successful trajectory that began with the IPO in July 2001. A good reason to celebrate our 25th anniversary as a listed company at the coming shareholders' meeting in Karlsruhe and at the Frankfurt Stock Exchange in summer.

However, in the summer of 2026 the eyes of the world will be mainly on the World Soccer Cup in Canada, Mexico and the United States. Cutting edge technology from init will be present from the day the event kicks-off. In Atlanta, "Better Breeze", our most advanced ticketing system at present, will ensure the greatest ease of use for paying and travelling on the regional local transport network operated by MARTA, and its partners. Work on the installation has begun and will be completed on schedule. At practically the same time, work commenced on another mega-project: modernisation of the existing fleet management of Transport for London and creation of a real-time passenger information system. Here, too, the roadmap and preparations for the roll-out are running on schedule. The fact that these mega-projects – like every other init project in the reporting period – could be processed on schedule, despite the headwinds facing them, deserves great recognition and our sincere gratitude. However, Atlanta and London are also characteristic for the trend of ever more public transport operators moving towards integrated systems or seeking to transfer their services and operators to an external platform that affords a state-of-the-art technological partnership for the long term. This is just one example for the rapid change in market demand for init solutions.

The increasing complexity of tasks and recent acquisitions have made it advisable to establish a new management structure. To leverage the strengths of individual units in a forward-looking and value-enhancing manner, and to achieve greater impact collectively, the Managing Board of init innovation in traffic systems SE has reorganised the company into three business units, effective from 1 January 2026: INIT Integrated Systems, INIT Cloud Solutions and INIT Passenger Intelligence. This move was preceded by intensive analyses and rounds of talks in the Managing Board. The Supervisory Board supports this strategic realignment for it gives the management of the respective business units closer proximity to the business and allows them to implement innovations and successful strategies more rapidly, thereby adding value.

To ensure that this closer orientation towards reaching operative and strategic objectives is also reflected at board level, we have added a further operative component to the Managing Board's variable compensation package. Operative cash flow has been added as a criterion for the short-term incentive (STI) as this factor supports the growth of the company from a financial perspective. This move was welcomed by the shareholders' meeting.

The Supervisory Board discussed all these topics intensively with the Managing Board. I would now like to move to reporting in detail on how the Supervisory Board fulfils its tasks and advises and supervises the Managing Board.

Responsibility of the Supervisory Board

Over the last year, the Supervisory Board of init SE obtained regular, timely and comprehensive reporting from the Managing Board to fulfil its duty to advise the Managing Board and monitor its management of the business. This took the form of verbal and written reports. The briefings and discussions at the Supervisory Board meetings included all the important issues and measures pertaining to the company and its business operations.

The Supervisory Board also actively supports the Managing Board during acquisitions, working in an advisory capacity and addressing organisational matters. The members of the Supervisory Board undertake training at their own initiative and with init's support.

The Supervisory Board conducts a regular self-assessment once annually in accordance with the recommendations of the German Corporate Governance Code (GCGC). In contrast to the prior years, the Supervisory Board commissioned an external assessment of its work for the first time in the 2025 financial year. Forvis Mazars was engaged for this task. Within the course of this process, the Supervisory Board not only addressed the topics, but also the evaluation methods that can be used as a supportive tool in future. Based on the results of the preliminary discussion, the evaluation process was structured into five phases: a kick-off workshop, creation of questionnaires, interviews with the Chairman of the Supervisory Board, Audit Committee and the Chief Financial Officer The findings of these steps were collated in a report to the Supervisory Board. At the ensuing workshop, the members of the Supervisory Board discussed the findings with Forvis Mazars. The evaluation concentrated on three central categories: composition of the Supervisory Board and succession planning, working methods and processes (e.g. sources of information, digital transformation, involvement of the Supervisory Board in strategy and understanding of the competitive environment) as well as the assignment of roles and responsibilities within the Supervisory Board. Based on the results of the external assessment, the Supervisory Board drew the relevant conclusions for its work in future at a special session held on 20 January 2026. In essence, the Supervisory Board recommends that the Managing Board further reinforces the strategic components of its executive activities.

The Chairperson of the Supervisory Board and the other members of the Supervisory Board were in close contact with the Managing Board throughout the financial year. Furthermore, all relevant transactions were communicated on an ad hoc basis. Between meetings, the Chairperson of the Supervisory Board informed the members of the Supervisory Board in a timely manner, orally and in writing, of any discussions with the Managing Board and its reports. Where the approval of the Supervisory Board was required by law or the articles of incorporation for the measures to be taken, these were always deliberated at the appropriate time and presented for a resolution.

Attendance at meetings

Meetings are convened at least once a quarter. There were eleven meetings of the Supervisory Board in the 2025 financial year, of which five were held as ordinary meetings the members of the board in physical attendance, five as extraordinary meetings (of which three as video conferences) and one meeting to constitute the Supervisory Board.

Name	Member since	Full board (11, of which 8 attending in person)	Personnel and nomination committee (4, of which 2 attending in person)	Audit committee (4, of which 4 attending in person)	Attendance % (total)
Andreas Thun (Chair)	2022	10[1]/11	-	4/4	93%
Ulrich Sieg	2014	11/11	4/4	4[2]/4	100%
Michaela Dickgießer	2023	10[1]/11	4/4	4[3]/4	94%
Christina Greschner	2019	11/11	4/4	4[3]/4	100%
Johannes Haupt	2023	11/11	-	4/4	100%

[1] excused from an extraordinary meeting of the Board called at short notice/excused due to illness
[2] attended as a guest
[3] attended two meetings as a guest and two as a member of the Board.

The Supervisory Board also meets regularly without the Managing Board. The Chairperson of the Supervisory Board and the Chair of the personnel and nominations committee held two meetings with the works' council to discuss issues relevant to the employees of group entities.

Topics on the audit committee agenda

The audit committee prepares the decisions of the Supervisory Board on the annual and consolidated financial statements as well as quarterly statements during the year, the proposal to the Shareholders' Meeting to elect the auditor and the engagement agreement made with the auditor. Furthermore, the audit committee is responsible for inviting tenders for the audit of the annual and the consolidated financial statements. In addition, the audit committee monitors the independence of the external auditor, addresses any additional services rendered by the auditor and assesses the quality of the audit of the financial statements by discussing the audit risk, the audit strategy and planning, and the findings of the audit. It advises and monitors the Managing Board in issues related to financial reporting, the operating effectiveness of the internal control system, and the risk management system as well as compliance and sustainability. In particular, it ensures that the Managing Board incorporates social and ecological considerations into its strategy. In the 2025 financial year, special focus was placed on the development and harmonisation of the internal control system in the wider sense. The audit committee effectively supported the entire Supervisory Board in its work in the reporting year and reported on its preparatory work on the agreed-upon topics at the subsequent meeting. According to Article 7 (2) of the Supervisory Board's rules of procedure, the personnel and nomination committee only has an advisory function unless the Supervisory Board empowers it by resolution to make decisions on behalf of the full Supervisory Board.

Topics on the personnel and nomination committee agenda

The personnel and nomination committee focuses on the personnel issues relating to the Supervisory Board and the Managing Board and searches for successors to fill positions on the Managing Board and Supervisory Board. It submits proposals for the remuneration system of the Managing Board and the Supervisory Board and reviews this system at regular intervals. According to Article 8 (2) of the Supervisory Board's rules of procedure, the personnel and nomination committee only has an advisory function unless the Supervisory Board empowers it by resolution to make decisions on behalf of the full Supervisory Board. The committee reports on its preliminary work at the subsequent meeting of the Supervisory Board.

Topics discussed at Supervisory Board meetings

Based on reports from the Managing Board, the following matters were regularly discussed at Supervisory Board meetings: the economic situation, including business and liquidity planning, incoming orders, order backlog, potential risks, compliance issues, the internal control system, sustainability, legal disputes, key business transactions, projects of particular importance, subsidiaries and the medium and long-term corporate strategy including organisational issues as well as human resources planning and development. In addition to corporate strategy and sales strategy, key topics on the agenda were the development of productivity within the group and the associated budget and CapEx planning, the impact of the US tariffs and trade agreements on current and future business and the topic of cyber security.

There was also a special focus on the following topics in the 2025 financial year:

- strategic alignment and strategic understanding of the group in cooperation with subsidiaries
- reorganisation of the management structure of the init group
- change in the competence profile of the Supervisory Board
- Discussion of the 2024 annual and consolidated financial statements as well as of the dependent company report and the separate consolidated non-financial report with the involvement of the auditor
- Ratification of the financial statements for 2024, approval of the consolidated financial statements for 2024, release of the separate consolidated non-financial report for 2024 as well as discussion of the Managing Board's proposal for the appropriation of profit and approval of the report of the Managing Board on relations with affiliated companies ("Dependent Company Report")
- Proposal for the auditor for the 2025 financial year
- Resolution on the voluntary audit of the group sustainability report and the approval process for non-audit services commissioned from the audit firm by the Managing Board
- Adoption of the proposals for resolutions for the agenda for the 2025 Shareholders' Meeting and of the report of the Supervisory Board as well as the statement on corporate governance
- Resolution on the 2024 remuneration report pursuant to Section 162 AktG and the necessary auditing and preparatory activities
- Resolution on the remuneration system for the Managing Board pursuant to Section 87a AktG and other adjustments as well as the development of the remuneration system taking account of the projected growth of the company

- Adjusted Declaration of Compliance with the German Corporate Governance Code in the version dated 28 April 2022
- Constituent meeting of the Supervisory Board following the elections at the 2025 Shareholders' Meeting as well as organisational and personnel matters and the way the Supervisory Board members view their functions
- External efficiency review of the Supervisory Board commissioned, as reported above
- Prolongation of the appointment of members of the Managing Board (Dr. Marco Ferber/CFO and Jörg Munz/CHRO) and reappointment of Matthias Kühn/COO and Deputy CEO
- Resolution to convene the Shareholders' Meeting in 2026 with the shareholders in physical attendance
- Business requiring board approval: Approval of a corporate acquisition, capital increase and founding of subsidiaries as well as the sale of the retail business of the DILAX group
- Discussion of changes in the operative business and the development of long-term planning. In this context, the Supervisory Board convened an advisory meeting at the Berlin location for the first time, placing a focus on corporate developments at the subsidiaries of the iris group and the DILAX group

Audit of the annual and consolidated financial statements as well as of the combined management report

The annual financial statements and the combined management report of init innovation in traffic systems SE as of 31 December 2025 were prepared in accordance with the German Commercial Code (HGB). The consolidated financial statements dated 31 December 2025 were prepared according to Section 117 of the WpHG ["Wertpapierhandelsgesetz": German Securities Trading Act] based on the International Financial Reporting Standards (IFRS) as adopted by the EU. The combined management report group also includes the group sustainability report, which has been drawn up in accordance with the requirements of the EU Corporate Sustainability Directive ("CSRD") (EU Directive 2022/2464 of the European Parliament and of the Council of 14 December 2022), Sections 315b to 315c HGB for a corporate non-financial statement and Art. 8 of Regulation (EU) 2020/852 with full reference to the ESRS as the acknowledged reporting framework pursuant to Sections 315c (3) in conjunction with Section 289d HGB. As the ESRS have not yet been applied for an extended time period, there were uncertainties when drawing up this first report concerning unresolved issues and the corresponding interpretations. This state of affairs continued into the year 2025. The company has considered all the information that was available as of 16 March 2026.

All these documents were audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, appointed by the Shareholders' Meeting as auditor of init innovation in traffic systems SE and group auditor, and also of the group sustainability report as a precautionary measure. They all received unqualified independent auditor's reports. The annual financial statements, combined management report, consolidated financial statements and audit reports were provided to all members of the audit committee and the Supervisory Board in good time. The audit of the group sustainability report contained in the combined management report, which was commissioned from the auditor on a voluntary basis, and the audit of the formal requirements of the remuneration report, which was commissioned from the auditor separately, were concluded without any qualifications.

The annual financial statements, combined management report and consolidated financial statements as well as the independent auditor's reports and audit reports were discussed in detail with the Supervisory Board, the Managing Board and the auditor at the audit committee meeting on 16 March 2026. The independent auditors reported on the significant audit results and on key audit matters, in particular. For the consolidated financial statements of init SE these included the recoverability of goodwill and revenue recognition in project business. With regard to the separate financial statements of init SE, they also included the measurement of equity investments pursuant to German GAAP (HGB). In addition, the auditor reported on the internal control and risk management system in relation to the financial reporting process, on services rendered in addition to the audit and on its independence as defined in the legal regulations. Detailed answers were given to questions raised by the audit committee and members of the Supervisory Board. Based on this evidence and its own examination, the audit committee came to the conclusion that the audit methodology used was reasonable and appropriate and that the figures and calculations contained in the financial statements had been adequately tested and were consistent. No objections were raised. The Supervisory Board therefore agrees with the results of the audit. The annual financial statements of init innovation in traffic systems SE prepared by the Management Board and the consolidated financial statements of init were approved; the annual financial statements of init innovation in traffic systems SE are therefore adopted.

The Managing Board has presented its proposal to the audit committee for the appropriation of profits. Under the proposal, the following appropriation of the retained earnings of init SE of EUR 17,099,863.24 will be recommended to the Shareholders' Meeting on 21 May 2026: Payment of a one-off special distribution of EUR 0.10 to mark the 25th anniversary of the company's listing on the stock exchange, as well as a regular dividend of EUR 0.80 per dividend-bearing share. The remaining amount is to be carried forward to new account. The Supervisory Board agreed with this proposal.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, as the auditor, also audited the Dependent Company Report prepared by the Managing Board in accordance with Section 312 AktG ["Aktiengesetz": German Stock Corporation Act]. The auditor issued the following independent auditor's report concerning the result:

"Based on the audit and assessment performed in accordance with our professional duties, we hereby confirm that

- the factual statements contained in the report are correct and
- the payments made by the company in connection with transactions detailed in the report were not unreasonably high."

The audit committee acknowledged the Managing Board's dependent company report and the results of the audit of the report by the auditor, examined both reports and discussed the results with the auditor. The audit committee endorsed the results of the audit of the dependent company report by the auditor. After the final results of the discussions and its own examination of the dependent company report by the audit committee and its report to the Supervisory Board, the Supervisory Board is of the opinion that the Managing Board's findings are appropriate, and it therefore raises no objections to the Managing Board's declaration at the end of the report.

The Supervisory Board also adopted the report of the Supervisory Board at its meeting on 17 March 2026.

Corporate Governance Code

The Supervisory Board actively implemented and monitored compliance with the German Corporate Governance Code. Effective 22 May 2025, the Managing Board and the Supervisory Board jointly issued an updated Confirmation of Compliance with the German Corporate Governance Code pursuant to Section 161 AktG and made it permanently available to shareholders on the company's website.

Pursuant to Principle 23 of the German Corporate Governance Code, the Managing Board and the Supervisory Board report on corporate governance at init in the Corporate Governance Statement in this annual report.

Should any changes be made to this Confirmation of Compliance with the Corporate Governance Code during the financial year, the Supervisory Board together with the Managing Board will immediately update this information and make it available to all shareholders on the website of init.

The Supervisory Board would like to express its gratitude to all employees and the Managing Board for their motivation and commitment in the 2025 financial year. Special thanks also go to our shareholders, investors, customers and business partners for the trust they have placed in us.

Karlsruhe, 17 March 2026

On behalf of the Supervisory Board

Andreas Thun

Chairperson

SUPERVISORY BOARD

Dipl.-Ing. Andreas Thun

Chairperson

About
Year of birth: 1955
Nationality: German
First appointment: 2022
Term of office: until 2026

Audit Committee
Member

Vita
- Sole shareholder and General Manager of Landsensor GmbH
- Independent entrepreneur
- Founding shareholder and former Managing Director of iris-GmbH infrared & intelligent sensors in Berlin

Dipl.-Ing. Ulrich Sieg

Deputy Chairperson

About
Year of birth: 1949
Nationality: German
First appointment: 2014
Term of office: until 2026

Personnel and Nominating Committee
Member (Chairperson until 22 May 2025)

Vita
- Consultant specialising in public transportation
- Former Deputy CEO and COO of Hamburger Hochbahn AG
- Member of the Advisory Board of HanseCom Public Transport Ticketing Solutions GmbH, Hamburg
- Member of the Board of VDV Foundation for Young Leaders

Additional Supervisory Board mandate
- Member of the Supervisory Board of SECURITAS Holding GmbH, Duesseldorf

Dipl.-Ing. (FH), M.A., Christina Greschner

Member

About
Year of birth: 1977
Nationality: German
First appointment: 2019
Term of office: until 2026

Audit Committee
Member until 22 May 2025 – specialising in audit

Personnel and Nominating Committee
Chairperson since 22 May 2025

Vita
- Supervisory Board member of init SE
- 2007-2017 various management positions at init group
- Extensive knowledge of the init group
- International experience
- “Qualified Supervisory Board” exam taken at Deutsche Börse
- “Qualified Supervisory Board Member in the Audit Committee” exam taken at Deutsche Börse

SUPERVISORY BOARD

Prof.
Michaela Dickgießer
Member

About
Year of birth: 1960
Nationality: German
First appointment: 2023
Term of office: until 2026

Audit Committee
Member since 22 May 2025 - specialising in audit

Personnel and Nominating Committee
Member since 1 July 2023

Vita
- Head of Business Development, MRH Trowe AG Holding, specialising in international insurance solutions and M&A processes
- Music Professor at the Karlsruhe University of Music
- Former Managing Director of ITUS GmbH, Karlsruhe with focus on advising IT companies as well as banks and investment funds in the areas of international insurance concepts

Volunteer positions
- Member of the Foundation Council of the Lucerne Festival
- Managing Board member of the Kronberg Academy Foundation
- Managing Board member of the FEDORA, Paris/France
- Managing Board member of the Hilfe mit Plan Foundation

Awards
- Bearer of the Federal Cross of Merit on ribbon
- Velte Prize
- Honorary senator of the Karlsruhe University of Music

Dr. Johannes Haupt
Member

About
Year of birth: 1961
Nationality: German
First appointment: 2023
Term of office: until 2026

Audit Committee
Chairperson - specialising in accounting

Vita
- Management consultant in own company and shareholder and Chairperson of the Advisory Board of Regionique Produktfabrik GmbH, Ettlingen
- Former CEO of Blanc&Fischer family holding und Chairperson of the Board of the sub-groups

Additional Supervisory Board mandate
- Chairman of the Supervisory Board and Chairman of the Family Council of Lenze SE, Aerzen

Additional mandates in similar control committees
- Member of the Board of ACO Group SE, Büdelsdorf

The qualifications within the scope of the competence profile of the Supervisory Board of init SE are shown in the qualification matrix on page 24. The competence profile and the rules of procedure of the Supervisory Board are available on the company's website under Investor Relations / Corporate Governance.

CORPORATE GOVERNANCE REPORT

pursuant to Section 289f (2) HGB and Section 315d HGB

In this statement on corporate governance (Corporate Governance Report), init reports on the principles and practice of corporate governance. It contains the Declaration of Compliance with the German Corporate Governance Code, information on corporate governance practices, the description of the working methods of the Managing Board and the Supervisory Board as well as significant corporate governance structures.

With the Declaration of Compliance with the German Corporate Governance Code and the statement on corporate governance, init aims to provide a transparent and understandable picture of the principles of responsible and sound management ("corporate governance") applicable in Germany and of how they are put into practice at init, thus strengthening the shareholders' trust in the company.

Declaration of Compliance with the German Corporate Governance Code

Each year, in compliance with Section 161 of the German Stock Corporation Act (AktG), the Managing Board and the Supervisory Board of a listed stock corporation are required to declare compliance with the recommendations of the "Government Commission on the German Corporate Governance Code" (GCGC) published by the Federal Ministry of Justice in the official section of the official Federal Gazette and to disclose any deviation from these recommendations. The Declarations of Compliance with the GCGC are made available on the company's website for a minimum period of five years. Since the GCGC was introduced in 2002, the company has complied regularly with almost all its recommendations.

The Managing Board and Supervisory Board of init issued the most recent Declaration of Compliance pursuant to Section 161 AktG on 22 May 2025. The Declaration below relates to the GCGC in the version released on 28 April 2022, which was published in the Federal Official Gazette on 27 June 2022. Owing to the size of the firm and company-specific features, the Managing Board and Supervisory Board declare that the recommendations have been and are adhered to with the following exceptions:

B. Composition of the Managing Board

B.5 An age limit shall be specified for the members of the Management Board

The Managing Board should have a diverse age structure. A conscious decision has been made not to set any specific targets regarding the age of individual or all members of the Managing Board, as this would restrict the Supervisory Board in selecting suitable Managing Board members. init operates in a market that requires flexibility, specialist expertise and many years' experience.

C. Composition of the Supervisory Board

I General requirements

C.2 An age limit should be specified for the members of the Supervisory Board

The persons proposed for election to the Supervisory Board should provide assurance, based on their professional expertise, skills and experience, their integrity, their ethical conduct, independence and personality that they can responsibly carry out the duties of a supervisory board member in a leading international technology firm that operates in the mobility sector. The Supervisory Board of init SE is convinced that a strict general restriction on membership on the Supervisory Board which does not consider the respective Supervisory Board member individually, is not an appropriate method to further improve and professionalise the work of the Supervisory Board. Rather, the company's interests in searching for suitable candidates are better served by a flexible composition of the Supervisory Board with different terms of office and experience and practical consideration of a diverse age structure. The company has published the terms of office of each Supervisory Board member for some time, thus enabling the shareholders to decide for themselves about the individual suitability of the re-election of a member of the Supervisory Board.

C.10 The Chair of the Supervisory Board, the Chair of the Audit Committee, as well as the Chair of the committee that addresses Management Board remuneration, shall be independent from the company and the Management Board. The Chair of the Audit Committee shall also be independent from the controlling shareholder.

The Chair of the company's Supervisory Board, Andreas Thun, is the sole shareholder of Landsensor GmbH, which maintains a business relationship with a subsidiary of init SE. From the perspective of the company, this circumstance does not create a conflict of interest nor does it impair the Chair of the Supervisory Board in the execution of his duties.

Although Ms. Christina Greschner, the chair of the personnel and nomination committee, is closely related to the Chair of the Managing Board, the committee can nevertheless be considered to be independent in terms of its function. According to Art. 8 (2) of the Supervisory Board's code of procedure, the personnel and nomination committee merely has an advisory function. The final decisions remain with the full Supervisory Board, thereby ensuring institutional control. The committee does not have any powers to make independent decisions.

More than half of the shareholder representatives continue to be independent from the company and the Managing Board. The company considers the appointments to the Supervisory Board to be appropriate and the full Supervisory Board of init SE can be considered to be independent.

G. Remuneration of the Managing Board and Supervisory Board

I Remuneration of the Managing Board

G.1 The remuneration system shall define in particular, which financial and non-financial performance criteria are relevant for the granting of variable remuneration components

The recommendations of G1 are largely complied with.

Variable remuneration components are granted on the basis of financial criteria. No variable remuneration components are set on the basis of non-financial criteria. Sustainability criteria are already covered by the product portfolio of init and its registered business activities.

G.7 Referring to the forthcoming financial year, the Supervisory Board shall establish the performance criteria for each Managing Board member covering all variable remuneration components; besides operating targets, the performance criteria shall be geared mainly towards strategic goals

It is the strategic target of the company to achieve average long-term revenue growth of 10-15 per cent per year. Additionally, it is intended to continuously increase EBIT in both absolute and relative figures. The company strives for a minimum EBIT margin of 10 per cent.

To support the growth of the business from a financial perspective, great focus is placed on operative cash flow. The equity ratio of the Company should remain above 40 per cent even with continued growth. In addition, the share price should appreciate appropriately.

Management focus on these objectives is fostered by the arrangements entered into that govern the performance criteria used to calculate the variable compensation components of the Short-Term-Incentive (STI) and the Long-Term-Incentive.

Operative cash flow has been chosen as the performance criterion for measuring the STI. EBIT is anchored as the performance criterion of the LTI and is measured in the form of the EBIT margin. Minimum criteria relating to revenue and the equity ratio are set to cover these objectives. The distribution of shares with a vesting period of five years under the terms of the LTI programme incentivises the long-term appreciation of the share.

These arrangements therefore support reaching the operating and strategic goals.

II Remuneration of the Supervisory Board

G.17 The remuneration of Supervisory Board members shall take into account, in an appropriate manner, the higher time commitment of the Chair and the Deputy Chair of the Supervisory Board as well as of the Chair and the members of committees

The higher amount of time required of the Chairperson of the Supervisory Board was appropriately taken into account in the remuneration. The higher amount of time required does not apply to the Deputy Chairperson of the init Supervisory Board.

In all other respects, the recommendations of G.17 GCGC are complied with. The greater amount of time required of the chairpersons of the committees was appropriately taken into account in their remuneration.

Corporate Governance Report

Managing Board

As the executive body of a listed European Company (Societas Europaea, SE), the Managing Board must act in the interests of the company and is obliged to raise its business value sustainably. It manages the affairs of the company and is bound by the German Stock Corporation Act to uphold the interests and business policies of the company. The Managing Board provides the Supervisory Board with regular, timely and comprehensive information about all key issues relating to the company's business development and risks and agrees on corporate strategy with the Supervisory Board, including the Company's ESG objectives. Furthermore, it ensures that legal rules, official regulations and internal company guidelines are adhered to and works with the Supervisory Board to ensure that all group employees comply with them.

The Managing Board is made up of the Chief Executive Officer (CEO), the Chief Revenue Officer (CRO), the Chief Financial Officer (CFO), the Chief Operating Officer (COO) and Chief Human Resources Officer (CHRO). The Managing Board of init therefore has five members who together bear responsibility for corporate management.

All members of the Managing Board have many years' experience from their time with various companies and their knowledge and professional skills complement each other in those sectors that are relevant to our projects and geographical distribution (also in terms of sustainability) and with handling the significant impacts, risks and opportunities for the company. This is also reflected in the allocation of management functions, which indicates the competencies and, in particular, the experience of the Managing Board (no breakdown of experience by product or specific location has been made due to its irrelevance to init). The suitability and mix of competencies is already secured during the appointment process by means of professional recruiting guided by the Supervisory Board. In addition, the Supervisory Board has issued rules of procedure for the Managing Board, which are published under the Corporate Governance section of our website. These serve as an internal set of rules and complements the requirements laid out in the law and the articles of incorporation.

As the central task of corporate management, the Managing Board develops the strategic orientation of the company, ensures that the risks of business activities are handled responsibly by means of a comprehensive internal control and risk management system and ensures that legal requirements and internal guidelines are observed within the company. The system of internal controls and the risk management system include a compliance management system that is aligned to the risk exposures of the company.

The Managing Board is aware that social and environmental factors affect business outcomes and considers these when managing the company in its best interests. It also decides on the appointment of management positions and sets targets for female representation at the two mid-management levels below the Managing Board within the framework of the legal requirements. Diversity as a decision-making criterion is understood to mean complementary personal profiles, careers, and life experiences, also from an international perspective. Moreover, the Managing Board exhibits a mixed age structure. Diversity aspects are taken into account in the selection process, but the focus is on the professional and personal qualifications of the individual.

The directors support the Managing Board of init SE. These individuals perform tasks for the Managing Board in their respective functions and provide the related support when it comes to monitoring the most significant impacts, risks and opportunities (IRO) and in the context of sustainability.

Supervisory Board

The Supervisory Board advises and monitors the Managing Board in the management of the company. Decisions of fundamental importance to the company are subject to the approval of the Supervisory Board and are set out in the Managing Board's rules of procedure. Transactions with related parties may, by law, require the prior approval of the Supervisory Board. The Supervisory Board's monitoring and advisory activities also extend to sustainability issues and impacts, risks and opportunities.

In addition, the Supervisory Board is responsible for appointing members of the Managing Board, determining their number in accordance with legal and statutory requirements and setting the target figure for the proportion of women on the Managing Board. The first appointment to the Managing Board is limited to a maximum of three years.

Together with the Managing Board, the Supervisory Board ensures that there is long-term succession planning in place. When screening candidates for a Managing Board position, the basic eligibility criteria from the Supervisory Board's perspective are their technical qualification for the area of special responsibility they are going to manage, proven leadership skills, prior performance and their knowledge of the market and the company. As part of the assessment, the Supervisory Board also takes into account the personality that would best complement the panel of the Managing Board (diversity). The Supervisory Board understands diversity as an eligibility criteria to mean diverse and complementary profiles, professional and personal experience and international experience, as well as appropriate gender representation. The Supervisory Board considers the following aspects when making its decision:

- The members of the Managing Board should have many years' management experience and, as far as possible, should have experience in a broad range of professions
- One member of the Managing Board should possess knowledge of the main regions and markets in which the init group operates or intends to initiate new business
- One member of the Managing Board should have international management experience
- One member of the Managing Board should have a technical education
- One member of the Managing Board should have an education in business studies
- In its entirety, the Managing Board should have experience in the fields of technology (including information technology and digitalisation), commerce, law (including compliance) and research and development
- The Supervisory Board has set a target for the percentage of women in the Managing Board

The diverse professional, educational and personal experience (also in terms of sustainability) of the Managing Board members complement each other. The Managing Board should have a diverse age structure. A conscious decision has been made not to set any specific targets regarding the age of individual or all members of the Managing Board, as this would restrict the Supervisory Board in selecting suitable Managing Board members. init operates in a market that requires flexibility, specialist expertise and many years' experience.

In the assessment of the Supervisory Board, the composition of the Managing Board corresponds to the diversity concept in all regards except female representation on the board.

The Supervisory Board of init SE is composed of shareholder representatives and has five members, as laid out in the articles. They are appointed for one year. The Supervisory Board endeavours, in its entirety, to provide a competence profile that ensures that the Managing Board is supervised competently and given informed advice. Each member of the Supervisory Board also ensures that he or she has sufficient time to perform his or her duties. The Chairperson of the Supervisory Board is elected by the Supervisory Board from among its members. He coordinates the work of the Supervisory Board and represents the interests of the Supervisory Board externally.

The persons proposed for election to the Supervisory Board should provide assurance, based on their professional expertise, skills and experience, their integrity, their ethical conduct, independence and personality that they can responsibly carry out the duties of a supervisory board member in a leading international technology firm that operates in the mobility sector. The Supervisory Board of init SE is convinced that a strict general restriction on membership on the Supervisory Board which does not consider the respective Supervisory Board member individually, is not an appropriate method to further improve and professionalise the work of the Supervisory Board. Rather, the company's interests in searching for suitable candidates are better served by a flexible composition of the Supervisory Board with different terms of office and experience and practical consideration of a diverse age structure. The company has published the terms of office of each Supervisory Board member since 2014, thus enabling the shareholders to decide for themselves about the individual suitability of the re-election of a member of the Supervisory Board.

Potential conflicts of interest, the number of members of the Supervisory Board and diversity aspects are also given appropriate consideration when appointing members to the Supervisory Board. When nominations are made to the Shareholders' Meeting, the personal and business relationships of every candidate with the company, the governing bodies of the company and any shareholders with a material interest in the company are disclosed. A detailed CV is attached to every candidate proposal.

The Supervisory Board has drawn up a profile of skills and experience for the entire board, which is also taken into account for proposals to the Shareholders' Meeting and is published under the corporate governance section of the company's website. The Supervisory Board has issued rules of procedure which are also published on the company's website.

The Supervisory Board members undertake training measures at their own initiative and with support from init SE. Apart from their orientation towards the purposes of the company, there are no restrictions on such training. In addition, efficiency in financial year 2025 was assessed by external experts who were commissioned for the task.

The members of the Supervisory Board have disclosed their respective competencies in a matrix of their qualifications. This matrix is also used to ensure that the members' skills and experience complement each other in terms of sectors, products and geographical locations. In its current composition, the Supervisory Board meets all the qualification requirements referred to.

Details about the activities of the Supervisory Board members as well as their presentation are provided in the "Report of the Supervisory Board" section of this Annual Report.

Qualification matrix for the Supervisory Board

	Andreas Thun* (Chair)	Ulrich Sieg** (Deputy Chair)	Michaela Dickgießer*/**	Christina Greschner** (Chair PNC)	Johannes Haupt* (Chair PC)
Member since/elected until	2022/2026	2014/2026	2023/2026	2019/2026	2023/2026
Independence	business relationship	independent	independent	personal relationship	independent
Gender	male	male	female	female	male
Year of birth	1955	1949	1960	1977	1961
Nationality	German	German	German	German	German
International experience	x	x	x	x	x
Knowledge of the mobility sector	x	x	x	x	
At least one member with professional knowledge of accounting					x
At least one member with professional knowledge of auditing			x	x	x
Knowledge of accounting principles	x		x	x	x
Knowledge of internal controls, risk management systems and M&A	x				x
Knowledge in the field of corporate governance and German stock corporation law	x	x	x	x	x
One member with professional knowledge of human resource management	x	x	x	x	x
One member with knowledge of the regions and markets in which init group operates or intends to initiate new business	x	x	x	x	
One member with experience in technology (including information technology and digital transformation/Cyber Security)	x	x	x		x
One member with knowledge of the significant sustainability issues for the company	x	x	x	x	x

* Member of the Audit Committee (AC)

** Member of the Personnel and Nominating Committee (PNC)

Audit committee

The audit committee prepares Supervisory Board decisions on the annual and consolidated financial statements as well as quarterly statements during the year, sustainability reporting, the proposal to the Shareholders' Meeting to elect the auditor and the engagement agreement with the auditor. In addition, the audit committee is responsible for inviting tenders for a new auditor for the audit of the annual and the consolidated financial statements. Moreover, the audit committee monitors the independence of the external auditor, addresses any additional services rendered by the auditor and assesses the quality of the audit of the financial statements by discussing the audit risk, the audit strategy and planning, and the findings of the audit. It advises and monitors the Managing Board on accounting issues, the appropriateness and effectiveness of the system of internal controls, the risk management system, the internal audit system, compliance and sustainability and discusses matters with the independent auditor in preparation for the annual audit, also without the Managing Board in attendance. According to Article 8 (2) of the Supervisory Board's rules of procedure, the audit committee only has an advisory function unless the Supervisory Board empowers it by resolution to make decisions on behalf of the full Supervisory Board. The audit committee supports the entire Supervisory Board in its work and reports on its preparatory work on the agreed topics in the subsequent meeting.

One member of the audit committee must possess professional knowledge in the field of accounting and at least one other member professional knowledge in the field of auditing financial statements. Sustainability reporting and auditing of sustainability are also matters that lie within the field of accounting and external auditing. The audit committee meets these requirements in both its previous and its current composition. Dr. Johannes Haupt, who also holds the chair of the audit committee, is responsible for the accounting. Due to his many years of experience as a managing director and the chairman of various supervisory boards at a range of different companies, he possesses a great depth of knowledge in the field of accounting, sustainability reporting and the audit of financial statements. Christina Greschner was a member of the audit committee until the close of the 2025 Shareholders' Meeting. She successfully completed the "Professional oversight on the audit committee" course certified by Deutsche Börse AG and possesses the required knowledge in the audit of financial statements and sustainability reporting. She is succeeded by Prof. Michaela Dickgiesßer, who, as a former director of Dr. Dickgießer und der ITUS GmbH, possesses a great depth of experience in management and financial consulting. Her expertise in consulting companies in the IT sector, banks and investment funds on international insurance concepts qualifies her for the fields of both auditing and sustainability reporting. Andreas Thun is another member of the committee. As the founder and former director of iris GmbH he possesses extensive knowledge of accounting fundamentals.

Personnel and nomination committee

The personnel and nomination committee focuses on the personnel issues relating to the Supervisory Board and the Managing Board and searches for successors to fill positions on the Managing Board and Supervisory Board. It submits proposals for the remuneration system of the Managing Board and the Supervisory Board and reviews this system at regular intervals. According to Article 8 (2) of the Supervisory Board's rules of procedure, the personnel and nomination committee only has an advisory function unless the Supervisory Board empowers it by resolution to make decisions on behalf of the full Supervisory Board. As a former director of human resources and with a Masters in "Family Entrepreneurship", Christina Greschner possesses suitable qualifications for chairing the committee. Other members of the committee are Prof. Michaela

Dickgießer and Ulrich Sieg, who both possess proven experience in all the relevant matters of human resources. Cooperation within the Supervisory Board and with the Managing Board

Cooperation within the Supervisory Board and with the Manging Board

As the holding company leading the group, init SE defines the corporate strategy and assumes the roles of top-level management, financing and communication with important target audiences in the corporate environment, in particular with the capital market and shareholders.

init SE is subject to a dual governance system consisting of the Managing Board and the Supervisory Board, which work closely together to the benefit of the company. They neither pursue personal interests in their decisions nor exploit for themselves business opportunities to which the company is entitled. The Managing Board members are subject to comprehensive non-competition arrangements. The dual governance system assigns executive management to the Managing Board and oversight to the Supervisory Board. Both boards are obliged to ensure the continued existence of the company and sustained value creation by the company in accordance with the principles of a social market economy. These principles demand legality as well as ethically based and responsible conduct.

The Managing Board regularly provides the Supervisory Board with timely and comprehensive information on all relevant issues of corporate governance, in particular the strategy, planning, business performance, the risk situation, risk management, internal audit, compliance and sustainability. The Chairperson of the Managing Board immediately informs the Chairperson of the Supervisory Board about important events that are of material importance for the assessment of the situation and development as well as for the management of the company. They are in active contact between the meetings. The Supervisory Board also meets regularly without the Managing Board. If necessary, the Chairperson of the Supervisory Board convenes extraordinary meetings of the Supervisory Board.

In addition to the collaboration between the Supervisory Board and the Managing Board, there is regular exchange with the employee representatives (Works Council). The Works Council and the Managing Board meet regularly many times over the course of the year. In addition, there is one annual meeting held together with the Supervisory Board. In addition to these regular meetings, ad hoc meetings are held with the functional heads of the Managing Board.

Shareholders' Meeting and rights of shareholders

At the Shareholders' Meeting, shareholders exercise their rights, in particular their right to receive information, and their voting rights. The Shareholders' Meeting decides on all matters assigned to it by law, particularly the appropriation of profits, the discharge of the Managing Board and the Supervisory Board, the election of members to the Supervisory Board and the independent auditor. In addition, in its advisory capacity, the Shareholders' Meeting decides on the approval of the remuneration system for the Managing Board presented by the Supervisory Board, on the specific remuneration of the Supervisory Board and, by way of recommendation, on the approval of the remuneration report for the preceding financial year.

The Managing Board and Supervisory Board have decided in favour of holding the Shareholders' Meeting in Karlsruhe on 21 May 2026 with the shareholders in physical attendance unless extraordinary events necessitate a sudden change. As in the past, we intend to foster personal contact with our shareholders.

At the Shareholders' Meeting, shareholders have the opportunity to address the meeting on any items on the agenda, to raise relevant questions and to file motions. Shareholders can exercise their voting rights at the Shareholders' Meeting either in person, through a duly authorised representative, or by a proxy of init, subject to instructions. Each share carries one vote. To enable shareholders to prepare for the Shareholders' Meeting, the invitation, agenda and other information about the Shareholders' Meeting are available on the company's website. The voting results are also published on the website directly after the Shareholders' Meeting. The invitation to it will be sent to the shareholders in Germany and other countries via their custodian banks.

As a rule, the annual Shareholders' Meeting of init SE is held within the first six months of the financial year. Generally, the Supervisory Board Chairperson chairs the Shareholders' Meeting. He or she determines the order of the agenda items and the type and form of voting. The Chairperson is empowered to impose appropriate restrictions on the right to ask questions and to speak at the in-person event for the entire Shareholders' Meeting, for individual items on the agenda and/or for individual speakers.

Transparency and external reporting

Consistent, comprehensive and timely information is a fundamental principle that goes without saying at init. Shareholders, investors, analysts, journalists and interested members of the public are informed transparently and without delay about the performance of the company in the respective financial year by means of press releases, capital market information, annual reports, half-year financial reports, quarterly statements and sustainability reporting in both German and English.

The annual and consolidated financial statements and the combined management report are published within 90 days of the end of the financial year, the mandatory interim financial information is made publicly accessible within 45 days of the end of the reporting period. The Supervisory Board and the Managing Board report on corporate governance in the Corporate Governance Report. The statements of the past five years are also accessible on the website. At the time these documents are published, all the information also becomes available on the company's website and can be accessed at any time. Furthermore, the Investor Relations team maintains regular dialogue with capital market participants. In addition, shareholders and the public can find information about the organisational structure of init and about the members of the Managing Board and Supervisory Board on the website. The website includes a financial calendar covering all key dates.

Compliance and Ethical Guidelines

Compliance is an essential component of init's corporate values. With the code of conduct that applies across the group, init wishes to protect employees and companies as well as clients and business partners.

Our Ethical Guidelines comprise all applicable statutory and company requirements for our employees. They set out specific rules of conduct. The Ethical Guidelines form the binding code of conduct for the entire init group and apply without exception to all employees – across teams, hierarchy levels, countries and all individual companies within our group. They can be found on the website of the company at Ethical Guidelines of init SE.

According to the management's code of procedure, the CFO is responsible for compliance. The respective management as well as legal departments within the group coordinate compliance topics locally. Our flat hierarchies and the whistle blower system implemented by the Managing Board enable us to react quickly to (suspected) compliance cases. The internal processes of our compliance management system ensure that any breaches of compliance are reported by lower management and the legal departments to the Managing

Board. The Managing Board regularly informs the Supervisory Board about compliance issues, particularly in the case of serious breaches. The audit committee of the Supervisory Board monitors the appropriateness and effectiveness of the system of internal controls, advising the Managing Board on compliance issues at regular intervals and which also reports to the full Supervisory Board.

More information on social matters, the protection of human rights and combatting corruption and bribery can be found in our sustainability statement contained in the sustainability section of our combined management report.

Accounting and auditing

The auditor supports the Supervisory Board and, in advance, the audit committee in monitoring the management, particularly with regard to accounting issues, the operating effectiveness of the internal control system, the risk management system, the internal audit system, compliance and sustainability. The auditor's report informs the capital market about the correctness of the accounting.

The annual financial statements and the combined management report of init are prepared in accordance with the German Commercial Code (HGB). The consolidated financial statements are prepared according to Section 315e HGB based on the International Financial Reporting Standards (IFRS) as adopted by the EU. Due to the fact that the EU Directive 2022/2464 (Corporate Sustainability Reporting Directive – CSRD) has not yet been transposed into national law, init has decided, with a view to future legal developments, to prepare the consolidated sustainability report in accordance with the requirements of the EU Directive 2022/2464 Corporate Sustainability Reporting Directive (CSRD), the requirements of Sections 315b to 315c of the German Commercial Code (HGB) for a non-financial group declaration and Article 8 of Regulation (EU) 2020/852 with full reference to the ESRS as the recognised reporting framework pursuant to Sections 315c (3) in conjunction with Section 289d HGB. The Supervisory Board has commissioned a voluntary (non-mandatory) limited assurance engagement for the review of the corporate sustainability statement.

Following their preparation by the Managing Board, the separate annual financial statements and the consolidated financial statements are audited by the independent auditor, reviewed by the audit committee and subsequently adopted or approved by the Supervisory Board. Within the scope of the audit, the auditor immediately advises the audit committee of all significant findings and events that arise during the audit. The committee is also informed if, during the performance of the audit, any facts are identified that indicate that the Declaration of Compliance with the German Corporate Governance Code issued by the Managing Board and Supervisory Board is incorrect. The audit committee also monitors the independence of the auditor, evaluates the additional services provided by the auditor and assesses the quality of the audit.

The init Shareholders' Meeting on 22 May 2025 adopted the Supervisory Board's proposal to elect PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft, Stuttgart, as the independent auditor of the separate financial statements and consolidated financial statements for the 2025 financial year. This audit firm was first engaged for the 2022 financial year. The engagement partners are Mr. Jürgen Schwer (since the 2025 reporting cycle) and Ms. Andrea Ehrenmann (since the 2022 reporting cycle).

Remuneration of the Managing Board and Supervisory Board

The remuneration structure is aligned towards the sustainable and long-term development of the company.

The Supervisory Board decides on a transparent and understandable system for the remuneration of the Managing Board members and on the basis of this, determines the specific remuneration of the individual

Managing Board members. In an advisory capacity, the Shareholders' Meeting will approve the remuneration system presented by the Supervisory Board at least every four years. The current remuneration system was approved at the Shareholders' Meeting on 22 May 2025. The members of the Supervisory Board receive remuneration that is appropriate to their tasks and the status of the company. It is determined by resolution of the Shareholders' Meeting. In a binding capacity, the Shareholders' Meeting also approves the remuneration system for the Supervisory Board at least every four years. The init Shareholders' Meeting on 25 May 2023 approved the current remuneration system for the Supervisory Board.

The Managing Board and Supervisory Board prepare an annual remuneration report in accordance with legal requirements. The Shareholders' Meeting passes a resolution on the approval of the remuneration report for the preceding financial year on an annual basis in an advisory capacity. The remuneration systems and the remuneration report of both bodies as well as the corresponding auditor's report are available in the Shareholders' Meeting section on the company's website.

Equal participation of women and men in management positions

When appointing the company's executives, the Managing Board considers the principle of diversity, and, in particular, endeavours to achieve an appropriate level of female representation. The Supervisory Board shares the opinion that it is necessary to increase the percentage of women in management positions in order to ensure that in future a higher number of suitable women are available.

Female representation on the Supervisory Board of init SE lies at 40 per cent and therefore lies above the set target of 25 per cent. The target of 25 per cent that has also been set for the Managing Board has not yet been reached. At present, female representation lies at 0 per cent. The objective remains to use new appointments to the Managing Board to reach the set target once again. Female representation at the first level of management underneath the Managing Board of init SE continues to lie at 25 per cent and is therefore above the set target of 20 per cent. Female representation at the second level of management has risen slightly to 47 per cent and is therefore well above the target of 28 per cent. Female representation is traditionally lower in technical industries due to the continued lack of female graduates in MINT studies (mathematics, IT, natural science and technology) and careers that are relevant for init. The Managing Board continues to pursue the goal of at least reaching the set targets and has implemented measures that are suitable to do this.

Karlsruhe, March 2026

For the Managing Board For the Supervisory Board

Karlsruhe, March 2025

For the Managing Board For the Supervisory Board

Dr. Gottfried Greschner Andreas Thun

Chairperson Chairperson

THE SHARE

Stock markets hit new records in the face of growing geopolitical risks

The business environment in the reporting year was affected by a number of external events, including natural disasters, geopolitical conflicts, protectionist trends in world trade and a greater level of political and trading uncertainty. In spite of these headwinds, the stock markets reached new records in the reporting year. Whereas there was a clear discrepancy in the global environment between the wide range of burdens being placed on the economy and the records set in the financial markets, the share price of init innovation in traffic systems SE and its operating result moved along the same positive trajectory. New records were set in terms of both revenue and earnings and these were matched by historic peak in the share price.

Some of the drivers behind the share price were the cuts to the key lending rates by central banks, which boosted market liquidity, as well as the robust growth in the United States economy and the megatrend of artificial intelligence (AI), which also benefits the business of init. In sum, the European Central Bank lowered its lending rate for the euro area four times. Many economists are expecting the sustained boom in AI to continue through into 2026 and that the stock markets will continue to grow.

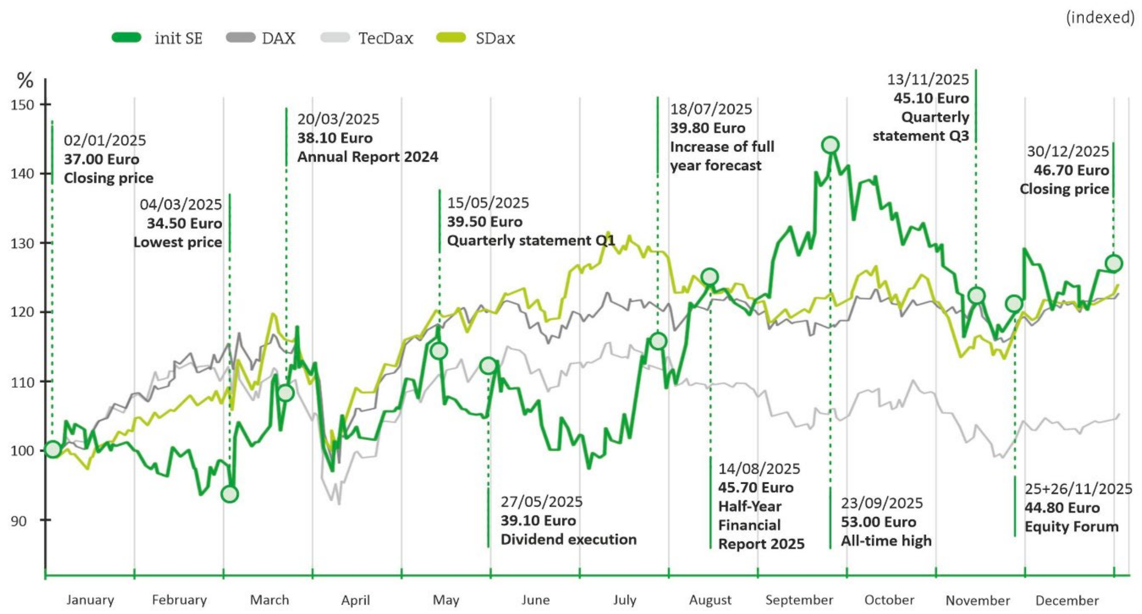
After slumping in April in response to the tariffs introduced by the United States, the German DAX stock market index, recorded the third record year in a succession against this backdrop. Had an investor bought into the DAX at the beginning of the year, they would have enjoyed a 23 per cent return by year-end. After recovering rapidly from the annual low at the beginning of April, the first six months saw a number of new records set, with share prices generally flatlining over the second half of the year. In sum, the German share market barometer closed the year with much higher performance than the Dow Jones Industrial, the key US index (+14 per cent for the full year). The TecDAX index composed of leading German tech firms, benefitted from the generally positive climate, with shares in firms aligned towards innovation and the digital transformation, such as init SE, being keenly sought after. However, there was a great deal of volatility over the course of the year, particularly towards the end of 2025, with the TecDAX closing the year up by approximately 4.4 per cent on balance. The small-caps SDAX index performed much better, gaining roughly 24.5 per cent in value.

init share reaches a historic peak in September

By contrast, the share of init innovation in traffic systems SE once again outperformed the SDAX, the TecDAX and the DAX in the reporting period. On balance (and disregarding the dividend distribution of EUR 0.80) the init share appreciated by roughly 28 per cent in 2025. After a slow start to the year, stock market players initially waited for good news, which came with the publication of the key figures for 2024 and the outlook for 2025 at the annual press conference and analysts’ meeting at the end of March. Following this phase, the share price subsequently moved more or less in harmony with the rest of the market.

Demand for init shares picked up with announcement of the MARTA contract and the associated upwards revision of the guidance for the year released on 18 July 2025. Coupled with expectations of medium-term growth potential, this news resulted in a new record being set for the share of EUR 53.00 at the end of September. Prior to the release of the quarterly results in mid-November, the share price then eased as investors cashed in on their gains. There was great interest from potential investors at the equity forum in November, which culminated in the share returning to a more pleasing trend towards the end of the year.

In light of init's sustained business prospects, securities analysts and those journalists that regularly release assessments of the init share, perceive upside potential for further gains. In their latest assessments, analysts have published a target corridor of between EUR 58.50 and EUR 61.00.



Capital market-based figures	FY 2025	FY 2024
High (EUR)	53.00	42.20
Low (EUR)	34.50	28.40
Start price (EUR)	37.00	30.90
Closing price (EUR)	46.70	36.60
Market capitalisation (EURm)	468.9	367.5
Average daily trading volume (shares)*	8,920	6,334
Dividend per share (EUR) Special dividend per share (EUR)	0.80** 0.10**	0.80**
Earnings per share (EUR)	1.97	1.57

Shareholder structure (in %)	31/12/2025	31/12/2024
Dr. Gottfried Greschner (directly and indirectly held, parties related to him)	42.84	42.83
Corporate bodies	4.26	4.02
Employee shares (locked up)	0.72	0.53
Treasury shares init SE	1.09	1.63
Free float	51.09	50.99

*all German stock exchanges (source: stock reports Deutsche Börse)
**proposal to the next Shareholders' Meeting

SDAX

entry into the blue-chip index

as of 23 March 2026

init enters the SDAX blue-chip index

Our sustainable growth strategy has been recognised with init innovation in traffic systems SE's entry into the SDAX — the index of Germany's most liquid and fastest-growing public limited companies. On 4 March 2026, ISS-STOXX, a leading provider of benchmark and customised index solutions for global institutional investors, announced that init will be included in the DAX blue chip index as planned on 23 March 2026.

The SDAX lists the 70 companies that follow the MDAX companies in terms of trading volume and market capitalisation. The introduction of the SDAX by Deutsche Börse creates an opportunity to invest specifically in German small and medium-sized enterprises. Many SDAX companies are therefore more specialised than large DAX corporations. They generally belong to emerging industries and are often characterised by greater innovative strength. Consequently, they are also considered to be more profitable than larger corporations.

For init, entry into the SDAX marks the culmination of its development since its IPO on 24 July 2001. For the Management Board, this is recognition of its achievements to date, as well as an obligation to continue on its path of sustainable growth.

Special dividend to mark the 25th anniversary of the stock market listing

The next ordinary shareholders' meeting will mark the 25th anniversary of init SE as a listed company and will be held on 21 May 2026 with the shareholders again invited to attend in person.

On this occasion, the Managing Board and the Supervisory Board will propose a one-off special dividend of EUR 0.10 to celebrate the 25th anniversary of the company's listing on the stock exchange, as well as a regular dividend of EUR 0.80, in total EUR 0.90, for the 2025 financial year (prior year: EUR 0.80). This should not only allow our shareholders to participate in the current success of the business but also underscores our long-term growth prospects, growth that we have proven in the past and expect to continue in future.

More details on the shareholders' meeting and all the related documentation will be made available on the website of the Company under the Shareholders' Meeting section from mid-April.

COMBINED MANAGEMENT REPORT

init innovation in traffic systems SE, Karlsruhe

BACKGROUND TO THE GROUP

Group business model

Organisational structure of the group

The init group (hereinafter also referred to as “init”) is one of the few providers of integrated planning, dispatching, telematics and ticketing solutions for buses and trains worldwide. Since 1983, init has been supporting public transport operators with the task of making public transport more attractive, more effective, more efficient and, last, but not least, climate neutral.

As a full-service provider, init develops, produces, integrates, installs and maintains hardware and software solutions for transport companies’ important tasks. These include planning, management and optimisation of operations as well as fare management. The innovative software solution is the main focus and a crucial factor for success. Our strategy: init concentrates on innovative mobility concepts that secure a technological advantage for forward-looking transport companies.

init’s products and services are designed to improve the quality of transport services in terms of customer orientation, punctuality, convenience, service, safety and shorter travel times. At the same time, transport operators can reduce their costs. With the help of our products, CO_2 emissions that are harmful to the climate are reduced and resources conserved. With init solutions, public transport operators can respond to increasing demands for mobility from society and successfully compete in an environment that is dominated by transformation.

The init group management report was combined with the management report of init innovation in traffic systems SE, Karlsruhe (hereinafter “init SE”) pursuant to Section 315 (5) of the German Commercial Code (HGB) in conjunction with Section 298 (2) HGB. The management report is therefore referred to below as the combined management report. The annual financial statements of init SE, which are compiled in accordance with the HGB accounting framework, and the combined management report will be published in the online Company Register simultaneously with the consolidated financial statements.

The consolidated group changed as follows: on 13 November 2025 DILAX Intelcom GmbH, Berlin, (DILAX) acquired 75 per cent of the shares in ViSenSys GmbH, Dortmund (ViSenSys). In addition, INIT PTY LTD, Brisbane, Australia (INIT Brisbane) subscribed to a capital increase at INMODAL PTY LTD based in Sydney, Australia and obtained 51 per cent of the shares in the process.

Business processes

The value chain of the init group essentially includes development, production management, quality assurance, implementation and servicing as well as maintenance and operation of integrated hardware and software solutions for all key tasks within public transport. Hardware manufacturing is mainly outsourced to qualified producers who work closely as subcontractors with our init engineers. The quality we require is assured by having our own staff oversee each stage of the production process, from prototyping through to the test series and serial production.

init maintains two production firms in the United States to improve its sales chances under the “Buy America” initiative. The company Superior Quality Manufacturing LLC., Chesapeake, Virginia, USA (SQM) produces hardware from the init product range. With Total Quality Assembly LLC., Chesapeake, Virginia, USA (TQA), init has built up a cable production operation in partnership with a supplier.

Efficient production at multiple locations, securing the ability to meet customer orders and cost-efficiency in production while simultaneously maintaining high quality standards reside among the primary management goals of the init group. Production processes are constantly monitored and optimised to meet the high requirements placed on production quality and satisfy customer expectations.

When selecting producers and service providers, init ensures that it can address fluctuations in demand with the greatest degree of flexibility without compromising on high quality standards. In the event that a business partner falls out of contention, init can generally switch to an alternative provider and quickly and reliably respond to any sudden rise in demand. This continues to be of great relevance, as supply chain bottlenecks can still arise for critical components, despite the easing of the situation on international supply chains recently observed. This situation is only made more difficult by the introduction of tariffs and emergence of trade wars. init was once again able to ensure that it met the orders for its products in 2025 by effectively analysing its needs and stocking-up in advance and at the same time optimise stock management. The related risks are reviewed in the risk section of the management report.

Key markets and competitive position

Our integrated system solutions for planning, dispatching, telematics and ticketing systems make us a partner to transport companies on four continents. init has successfully realised numerous projects for more than 1,400 public transport operators worldwide during a corporate history that spans more than 40 years. In addition to this project business, many other customers are won via the supplier business. To this end, init operates a global network of subsidiaries that deliver local support for projects and look after the needs of customers.

The annual average headcount of the group as a whole comes to 1,558, of whom 1,197 are in Germany. The most significant operating entities in Germany are based in Karlsruhe, Berlin and Hamburg. These facilities develop software and hardware products and conduct research into new technologies before developing them and rolling out the solutions. Group headquarters are located at the Karlsruhe location and this is where corporate strategy is set.

Our foreign subsidiaries generally act as distribution companies and service providers to that market, install and maintain complex init solutions. The biggest group companies outside Germany are in North America, with a total of 177 employees, Ireland with 31 employees, Austria with 33, Dubai (United Arab Emirates) with 22 employees, Portugal with 29 employees and the UK with 23 employees. In America, init maintains production companies with a workforce of 32 employees, who manufacture products for the local market.

The core sales markets are Europe, North America, Australia, New Zealand and the Arab region. The regional distribution of revenue volume is heavily dependent on large-scale projects and varies accordingly from year to year.

In sum, init holds a leading position in the worldwide market for planning, dispatching, telematics and ticketing solutions for public transport.

External factors

Public transport and its ecosystem are subject to a number of megatrends: urbanisation, demographic and technological change, decarbonisation and the transition to sustainable mobility. This is creating growing complexity in daily operations due to the various fleet configurations: electric buses have different demands than traditional ICE-powered buses, vehicle size varies greater than ever, and self-driving (autonomous) vehicles need to be integrated in operations. At the same time, there is an increasing shortage of skilled workers available, both drivers and also the staff for operational control centres. These problems are exacerbated by the rising threat of physical and cyber attacks on critical infrastructure, but also on the employees of public entities, which necessitates additional security measures in both cyber space as well as in the real, everyday working environment. All of this is amplified by growing passenger demands for availability, reliability and simplicity of access to public transport along with the associated information. On the other side of the equation, public budgets have ever less headroom as they battle conflicting priorities.

In addition to continuous improvement of planning and the deployment of scarce resources, these factors are encouraging public transport operators to introduce user-friendly ticketing systems, good-quality passenger information and rapid connections in order to enhance the appeal and performance of its offering, while simultaneously raising efficiency levels and improving economic outcome. To reach these ambitious goals in Europe, North America, the Arab states, Australia and New Zealand, public transport needs to fully exploit the potential afforded by the digital transformation.

At the same time, our markets remain heavily fragmented. Many public transport operators and their financial backers have very specific demands in terms of their topographic or regional circumstances. These concern their operating processes, pricing models and fleet structures, partly due to the historical evolution of the particular operation and partly driven by political requirements and incentives, e.g. the way funding criteria are defined. As a result, there are additional drivers of complexity on top of the general complexity of the operating environment, which can only be slowly addressed by taking steps towards standardisation. For instance, funding for the Deutschland Ticket, which was introduced in 2023, was only confirmed for the year 2025 after wearisome talks and an agreement on a 20% hike in its consumer price. Against the backdrop of the recent elections, it remains to be seen, whether this solution has been secured in the medium term. To a certain extent, the Deutschland-Ticket has encouraged a trend towards standardisation. At the same time, due to the lack of clarity in the requirements, there is a great deal of uncertainty among public transport operators. At the same time, it is precisely the simpler flat-fee pricing models that actually create additional challenges for the accuracy of passenger counts, which has led Baden-Württemberg and Bavaria to impose legal requirements on passenger counting for new vehicles to be registered.

All of these demands can only be countered by continued use of intelligent system solutions and further digital transformation, with the financing models likely to change over the foreseeable future. In the process, AI solutions and its improved use of data flows in integrated systems will play a major role in the future, which operators will have to increasingly adjust to and adopt. Due to the shortage of skilled workers and lack of technical expertise, public transport operators are increasingly relying on long-term partnerships with enabled IT and systems service providers, such as init, and are transferring their operating tasks to them.

Corporate control, objectives and strategy

As the executive body of a listed European Company (Societas Europaea, SE), the Managing Board must act in the interests of the company and is obliged to sustainably create stakeholder value. It manages the affairs of the company and is bound by the German Stock Corporation Act to uphold the interests and business policies of the company. The Managing Board comprises the Chief Executive Officer (CEO), the Chief Revenue Officer (CRO), the Chief Financial Officer (CFO), the Chief Operating Officer (COO) and Chief Human Resources Officer (CHRO). The Managing Board of init therefore has five members who together bear responsibility for corporate management. As the central task of corporate management, the Managing Board defines the strategic orientation of the company, ensures that the risks of business activities are handled responsibly by means of a comprehensive internal controls and risk management systems and ensures that legal requirements and internal guidelines are observed within the company.

The ultimate corporate **objective** is to sustainably generate profitable growth and simultaneously secure solvency at all times.

From a commercial perspective, the business of the init group is **steered** on the basis of **revenue** and **earnings before interest and taxes** (EBIT) projected in the annual budgets of the individual entities. The businesses have so far been managed by the Managing Board directly. Any deviation in results is analysed at the level of the respective entities or projects. Revenue and EBIT are the key performance indicators (KPIs) and constitute the central reference points for incentive programmes for managers and the members of the Managing Board. In addition, greater focus was placed on **operating cash flow** in the 2025 financial year, to give greater weight to liquidity.

Financial objectives

The init group pursues the goal of sustainably raising its revenue by selling integrated systems and innovations and by tapping into new fields of application in the markets targeted by the business.

init managed to raise the **revenue** of the group to EUR 329.7m in the 2025 financial year, up 24.1 per cent on the previous year. However, this was slightly below the outlook which was revised upwards in July from a corridor of between EUR 300 and EUR 330m to between EUR 340 and EUR 370m. In comparison to the previous year, the expected revenue growth in the United States played a major role in this increase. However, the additional revenue from the MARTA project in the fourth quarter was not fully realised as expected. In addition, there was a considerable softness on the German market, with the traditionally strong demand in the fourth quarter not materialising. However, the growth rate realised in 2025 is still well above the long-term target corridor of 10-15 per cent per annum.

init's second core objective lies in steadily growing its **EBIT in absolute figures** while maintaining a minimum EBIT margin of 10 per cent. The EBIT margin is measured as the ratio of EBIT to revenue. EBIT amounted to EUR 32.5m in the 2025 financial year and therefore lies significantly above the earnings of the previous year (EUR 24.5m) and within the forecast corridor for the 2025 financial year, which was raised in July form EUR 30-33m to EUR 32-35m. The EBIT margin comes to 9.9 per cent, marking an improvement on the previous year (9.2 per cent), but remains slightly below our mid-range target. In addition to the general burdens placed on business, the failure to meet the target can be attributed to the U.S. trade tariffs, the consequences of weak demand in Germany on the capacity utilisation of smaller businesses and the cost of reorganising the Group to improve its management and raise efficiency. Even though the Managing Board is basically satisfied with the result for the year, the quality of earnings, measured by the EBIT margin, is not yet satisfactory.

Operating cash flow came to EUR 48.8m in the financial year, up significantly on the previous year (EUR 10.8m). This is chiefly due to the very positive development in the operating result, primarily on account of the significant improvement in working capital. Inventories were scaled back, net customer receivables kept stable and trade accounts payable even enhanced. The Managing Board is very satisfied with this development.

Non-financial objectives

Customer satisfaction

In addition to financial performance indicators, customer satisfaction is one of the important non-financial performance indicators for init. init achieves this, both through trust-based collaboration with its business partners and strict compliance with its quality principles: the technological edge, cost-effectiveness and reliability of the products and systems. init has set the principles of daily business dealings in its ethical guidelines. A customer survey is carried out annually to check that the objective of customer satisfaction is being met. However, customer satisfaction as an indicator is, however, not relevant to the financial steering of the init group.

Employee qualification and expertise

Employees are the key success factor. For this reason, it is part of init's corporate philosophy to ensure that every individual receives training, continuing professional development and a share in the company's success. Numerous measures were offered for company-specific qualification, for example training at external service providers, in-house training, webinars, podcasts, digital learning as well as visiting trade fairs and conventions. Once again, more than 13,000 training hours (2024: more than 11,000 training hours) were completed in internal and external training sessions in 2025.

Some 72 per cent of init's permanent employees have a university degree, particularly in the fields of information technology, electro-technology, high-frequency technology, physics, mathematics, industrial engineering, information technology, international business and business studies. init maintains very close contact with the Karlsruhe Institute of Technology (KIT) and other universities of applied sciences, such as the Humboldt University in Berlin and various research institutes, such as Fraunhofer Gesellschaft, in order to keep track of the latest technological developments and to identify technical changes early on. In this regard, init provides students with internships in part-time positions and supports the supervision of academic theses, at bachelor's and master's degree levels, for example.

New employees at our subsidiaries generally receive training at the group headquarters in Karlsruhe. Conversely, selected employees from Germany also spend several weeks a year at the foreign subsidiaries, either within the scope of their training or in connection with ongoing projects, as a means of promoting communication and cooperation while simultaneously ensuring that the expertise flowing into individual projects, technologies and products is maintained at the same high level around the globe.

Research and development

Innovation is the foundation of init's long-term success. Sustainable and consistent innovation necessitates substantial investment. For this reason, research and development activities constitute a core function within the init group. Its goal is to ensure that the group is competitive by using technical innovation. As part of this endeavour, we monitor market trends and develop our own innovative products in order to act on identified potential. Our vision is to put technology to good use for the public transport sector, and in so doing, enhance the efficiency and appeal of local public transport.

The function's importance is reflected in the expenditures of the 2025 financial year. The init group spent EUR 32.4m (previous year: EUR 25.2m) on the basic development of new products and the refinement of existing ones. This is equivalent to 9.8 per cent of revenue (previous year: 9.5 per cent). In addition, a number of new developments and product refinements that cannot be fully assessed were conducted within the framework of customer-funded projects. The expenditure referred to above includes the capitalised expenses for internally-developed software of EUR 13.9m (previous year: EUR 11.3m). Now that a significant portion of the product developments in the field of cloud-native nextGen platforms have been successfully concluded, or are shortly about to be, the Managing Board views the 2025 financial year as a turning point in its total R&D spending.

init places great importance on the high standard of qualification among our research and development employees and also on maintaining close partnerships with the higher education sector and research institutions in order to be able to respond quickly to the latest trends in university research.

32.4

EUR m

invested in 2025 in basic research and product development for the digital transformation of public transport

Over 620 employees were involved in realising the innovation roadmap in the 2025 financial year, working on the development of hardware and software at the locations in Karlsruhe, Braunschweig, Bruchsal, Berlin, Hamburg in Germany, Maynooth/Ireland, Pasching/Austria, Tampere/Finland, Lisbon/Portugal and Seattle/USA.

In order to put itself in the position of being able to provide solutions for the expected challenges in existing and potential new markets at an early stage and make new technologies available for use by public transport, init's own research teams continue to participate in research and government-subsidised projects with a diverse range of subjects. Our research teams work with a large number of partners on solutions for future challenges.

The DaKiMo research project (using data and AI as an enabler for sustainable intermodal mobility) examines how mobility data can be mined using artificial intelligence and enriched with other data, such as traffic conditions or weather data. The objective is to develop intelligent information services for citizens and the wider economy and thereby promote sustainable mobility by making effective use of resources and therefore contributing to the transition to sustainable mobility.

init leveraged its expertise in public transport data structures to prepare the extremely diverse data from the mobility environment for further processing, using AI for such tasks as forecasting the impact of the weather on occupancy projections. The project was funded by the Federal Ministry of Research, Technology and Space (BMFTR) and concluded successfully in March 2025.

The aura.ai project is a cross-border research and investment programme funded under the umbrella of the Oberrhein Interreg programme. init was involved in this project as an associate partner. The goal of the project, which ran until December 2025, is the development of AI-based automatic authentication for mobility applications that conform with data protection law to make use of public transport in the trinational Oberrhein region simpler, safer and more user-friendly and provide a positive effect on cross-border mobility. init enabled the field test by connecting the development to the booking platform of its Mobility-as-a-Service app “regiomove”.

Protection of personal data is of major significance and great effort was made to secure it. There is interest in developing more secure and efficient methods of anonymising personal data and putting these to use for both ethical and also commercial reasons. The ANYMOS research project was realised with the aid of selected anonymisation processes to enable the use of Mobility-as-a-Service and user data in compliance with data protection regulations and leverage the demand-side data for the purpose of continuously improving the transport offering. In this context, init created source-destination matrices using anonymised query and booking data. The project was also subsidised by the BMFTR and concluded successfully in December 2025.

In January 2026 init commenced work on the ANYMOS2 research project. This follow-up project addressed the aggregation of diverse data streams in mobility systems and looked at business models based on the data provided within the framework of the German Act on Providing and Using Mobility Data (e.g. in mobility data rooms). Within the ANYMOS2 project, init operates in the field of “public transport” by determining point-of-departure/destination relations and deriving the need to switch routes along the way. By interfacing user data with the occupancy rates of trains and buses and other operating data, it is possible to derive a fully anonymised trip profile of the passengers in the operating territory of the Karlsruher Verkehrsverbund (KVV), including intermodal connections. The continued evolution of anonymisation methods plays a major role, as it involves highly sensitive personal data that could be used to derive a person’s social status, residence and routes. iris GmbH was also involved in this project; by pseudonymising the image material – a form of anonymisation that complies with the GDPR – it enables the data to be reused subsequently.

ECONOMIC REPORT

Macroeconomic environment

Over the course of the reporting period, the global economy bounced between growing political uncertainty on the one hand and sustained euphoria in the technology sector on the other. The first six months were particularly affected by geopolitical tensions between major powers and the risks of U.S. economic policies that have become hard to fathom. For companies and institutions these uncertainties call their investment decisions into doubt.

Since the World Economic Outlook (WEO) Update in October 2025, trade tensions have eased, apart from occasional erratic shifts in U.S. trade policies. The dispute between China and the United States regarding export controls on semiconductors and rare earths was resolved at the end of the reporting period. There were no further distortions to world trade caused by U.S. trade tariffs in the first half of 2025. The International Monetary Fund (IMF) currently considers political uncertainty to be weaker than in October, but still much higher than in it was in January 2025. Against this backdrop, the global economy proved to be remarkably resilient, based on the findings of the IMF. Growth eased in the third quarter to 2.4 per cent as the positive surprises in a number of countries were eroded by surprising setbacks in others. For example, growth in France received a boost from aerospace exports, while the German economy was dampened by declining exports. China's growth slowed, with its weak domestic economy being partly offset by higher exports.

Growth in the United States accelerated at year-end 2025, with a rise in investments and spending on technology. Technology-related investment also boosted growth in some European countries, including the UK, but not to the same extent as in the United States. The export of semiconductors and other supplies, especially from Asian economies, has ensured that world trade remains relatively robust, despite protectionist tendencies.

In its latest World Economic Outlook (WEO), the IMF experts anticipate that the global economy will remain resilient, with global growth of 3.3 per cent in the year 2026 and 3.2 per cent in the year 2027, albeit with momentum from the high tech sector expected to ease. This forecast marks a small upwards correction (+0.2 per cent) for 2026 and no change for 2027 in comparison to the WEO from October 2025. It is assumed that the divergent forces will balance each other out. The negative effects of the growing uncertainties, especially those caused by very erratic U.S. trading policies, are expected to be offset by the positive impact of rising investment in technology. In particular, the use of artificial intelligence (AI) is viewed as a positive factor in raising productivity and should encourage growth in North America and Asia. This trend is being supported by generally accommodating monetary and fiscal policies of leading industrial nations. It is assumed that there will be a global decline in inflation to 4.1 per cent in the year 2025, 3.8 per cent in 2026 and 3.4 per cent in the year 2027. This suggests that interest rates will continue to ease, which will also have a positive effect on economic output.

India is replacing China as the main driver of the world economy. The IMF, for instance, has corrected its growth forecast for 2025 upwards by 0.7 percentage points to 7.3 per cent. Due to India's strong momentum and repositioning within the global economy – with the now most heavily populated country on Earth becoming an increasingly important trade partner for German businesses – growth is anticipated to remain high at 6.4 per cent in 2026 and 2027. Compared to the forecast made in October, China's expected growth rate in 2026 has been revised upwards by 0.3 percentage points to 4.5 per cent, provided the effective U.S. trade tariffs remain low. For 2027, the IMF forecasts growth of 4.0 per cent.

According to the analysis of IMF economists, growth in industrial nations is likely settle at around 1.8 per cent in 2026 and 1.7 per cent in 2027, remaining on a par with 2025 (1.7 per cent). For the current year, this suggests a slight recovery of 0.2 percentage points.

Growth in the euro area is therefore expected to keep lagging behind the rest of the field, with growth of 1.3 per cent in 2026 and 1.4 per cent in 2027, following growth of 0.9 per cent in the reporting year. The IMF forecast remains largely unchanged on October 2025. The slight increase in the growth rate in 2027, reflects the forecast rise in government spending, especially in Germany. In comparison to other regions around the globe, the euro area is likely to benefit less from the latest technologically-driven trends. Energy prices and the consequences of the war in Ukraine are also factors dampening production activity. In addition, there is additional pressure on the export sector due to an appreciation of the euro in comparison to the currencies of other countries that export similar goods. This is placing a particular burden on the German economy, the home market of init, as it is already battling high energy prices, costs of labour and freight charges. Declining exports in 2025 put a dampener on economic activity, resulting in the stagnation of GDP after adjusting for inflation. On the other hand, fiscal policies installed by the new government to stimulate the economy are having an increasing effect. The reforms that have been announced and the separate fund for investment in public infrastructure ("Sondervermögen") encourage hopes for a recovery. By contrast, the growth stimulus from the planned increase in defence spending is only expected to be short term, whereby its effect on the budget could come at the cost of other sectors. Nevertheless, the IMF anticipates more rapid growth of 1.1 per cent in the coming year and 1.5 per cent in 2027 due to the forecast increase in public spending.

The IMF has not changed its assessments for the UK economy, which is also a major market for init. After an increase of economic activity of 1.4 per cent in the reporting year due to higher investments in technology, growth in the UK is forecast to come to 1.3 per cent in 2026 and accelerate to 1.5 per cent in 2027, assuming interest rates decline as a result of waning inflation. The Labour government has announced that it will invest several billions in expanding infrastructure.

Although the speed of growth in the United States slowed to 2.1 per cent in comparison to the previous year (2.8 per cent), it remained robust in the wake of consumer spending on the part of private households, moderate fiscal stimulus, and a cut in the key lending rates, despite the negative effects of its tariff policies. The IMF forecasts that the economy will even grow by 2.4 per cent in the period from 2025 to 2026 as a result of the "One Big Beautiful Bill", supported by lower key lending rates. As a result, the IMF raised its forecast by 0.3 percentage points in comparison to the October outlook. Growth is anticipated to level off at 2.0 per cent in 2027, with short-term fiscal stimulus from the tax incentives granted for corporate investments.

Canada, the second largest market for init solutions in North America, grew more rapidly in 2025 than initially assumed, with GDP rising by 1.6 per cent according to the latest figures from the IMF. This trend is expected to continue, with growth of 1.6 per cent in the current year and 1.9 per cent in the year 2027. The Canadian government intends to increase public investment by several hundred billions in the coming year, with a clear focus on security, infrastructure and innovation.

The IMF forecast for the economies of Australia and New Zealand are also positive. These two countries represent growth markets for init as extensive investment is being made in local public transport. As a result, growth in Australia is anticipated to accelerate slightly from 1.9 per cent in 2025 to over 2.1 per cent in the coming year and 2.2 per cent in 2027. In New Zealand, there are increasing signs that the economy is picking up. Annual growth in the country is expected to reach 3 per cent in 2026 and 2027, based on assessments by the commercial banking sector, following growth of 1.2 per cent in the reporting year. Healthy exports and less restrictive monetary policies should help drive growth. Gross investments are expected to be much higher in 2026 than in the previous year. For German companies, the New Zealand market has become interesting due to the free trade agreement that came into full effect in 2025.

In its world economic outlook, the IMF also emphasises the down-side risks and perils to global economic growth. The resilience that has been exhibited recently is largely borne by a few sectors of the economy and driven by monetary and fiscal policies. Both of these factors could weaken, for example, if the anticipated productivity gains fail to materialise or if exogenous shocks jeopardise financial stability. Trade disputes and tariff wars could escalate, not least due to the Supreme Court's ruling on the legality of the tariffs that were imposed. Geopolitical tensions could rise and trigger disruptions to supply chains and a rise in commodity prices. Government budget deficits spiralling out of control and sovereign debt levels could put pressure on the general financial conditions and weaken growth.

To master these risks and stimulate economic growth, political decisions need to be made without delay to set a course that is more closely aligned to stability, the restoration of fiscal buffers and the implementation of structural reforms. The IMF perceives opportunities for the global economy in the form of investments in sustainable growth, especially in terms of the digital transformation and more rapid introduction of AI in such sectors as industry and transport.

Sector-specific developments

Public transport systems were caught between a number of sometimes divergent epochal trends in 2025. On the one hand, the technological transformation to exploit the opportunities afforded by digitalisation and improve the user-friendliness of the systems with a view to future needs is accelerating. This extends to using artificial intelligence (AI) to make operations more efficient and to manage passenger flows better as well as offer more personalised services. In addition, the integration of digital payment systems that simplify ticket purchases and make them more flexible are becoming more important, especially in view of major international projects and events, such as the World Soccer Cup in the United States in 2026, for which init is also realising a reference project that is attracting a lot of recognition. Public transport operators are developing more flexible pricing models that are more closely tailored to individual patterns of use. In the process, they are winning a greater number of people for public transport and making its services more attractive.

In this connection, the networking of various modes of transport (multi-modality) is being driven forward to enable seamless mobility across all public transport domains. This involves the use of apps and platforms that combine multiple transport offerings to ease switching between vehicles and routes.

Global initiatives

The present and future of urban and regional mobility is firstly determined by climate change and the global efforts that are being undertaken to mitigate it. An example of this is the fact that public transport played a prominent role at the UN Climate Conference COP30 in Belem, Brazil, in November 2025.

The UITP analysis of global and national climate mitigation programmes presented to the conference revealed a major shift in thinking, with public transport now standing at the centre of many national climate strategies. Another significant element of these strategies is the transition to low or zero-emission vehicles in order to reduce the burden on the environment and reach climate goals. Many cities and countries are increasingly relying on electric buses and other alternative drive concepts in public transport. In addition to the vehicle fleets, the infrastructure needs to be made more future viable, for example, by introducing intelligent systems at stops, AI-optimised control systems, expanding the charging infrastructure and introducing autonomous vehicles.

At the same time, this necessitates cybersecurity and resilient systems. This is not just a technical issue, but also a core responsibility for the continuity of service and passenger safety. Cyber attacks on public transport systems have escalated in recent years in terms of their frequency, complexity and range. Their effects can range from a temporary interruption to ticket sales and real-time passenger information through to data theft, loss of reputation and costs ranging into the millions. For this reason, cyber defence is also a main item of init’s service offering.

Faults can be caused by a number of events. In addition to the cyber risks referred to above, they can also be caused by interruptions to supply chains, extreme weather events, safety threats or power outages. The new technologies from init improve safety in public transport by improving monitoring standards, relying on automated systems and making differentiated contingency plans.

Reliable and constant financing is just as important as exploiting the full climate mitigation potential of public transport. Transport is responsible for almost 24 per cent of global carbon emissions. The target is to reduce this by 50% by 2050. The plan submitted by UITP to the COP30 conference includes an idea to monetise emission reductions by introducing a carbon market index monitored by the United Nations that would allow public and private institutions to earn credits from certified carbon emission reductions.

The role of public transport in nationally determined contributions (NDCs) was also a key element of the COP30 events. The UITP presented its analysis of 67 revised NDCs that revealed that three quarters of them now include public transport as one of their climate mitigation measures. Over 60 per cent of the NDCs include obligations to electrify public transport fleets, while almost one third are aimed at encouraging commuters to switch from their private cars to buses, underground rail and trams. In addition to such technological measures, many countries are taking more holistic measures: improving urban planning, controlling demand for public transport and promoting cooperation. As became apparent at this year’s UITP summit (“The International Association of Public Transport”) held at the end of June 2025 in Hamburg, which is the world’s most important conference for public transport, these developments are leading to rising demand for intelligent infrastructure, such as that made available by init as an international leader in integrated planning, dispatching, telematics and ticketing solutions for buses and trains. Although substantial advances have been made, almost two-thirds of the NDCs do not yet specify any public transport measures in their financial budgets. Without any clear financing strategies, many measures run the danger of remaining on paper.

Obtaining financing and addressing the increasing shortage of skilled workers are the greatest challenges for public transport at present. The global shortage of qualified workers is confirmed by the UITP. To address such challenges, init is presenting suitable IT solutions at the IT-TRANS, one of the leading trade fairs for public transport held from 3-5 March 2026 in Karlsruhe. This is another example of how digitalisation can contribute to making public transport more efficient and reliable in operation. This is predicated on sufficient funding being provided under government budgets or development programmes. In many cities and regions, it is becoming more difficult to maintain an attractive public transport system in times of public budget constraints. For this reason, UITP is calling upon the EU, among others, to create a long-range funding framework to promote public transport. Each euro invested in public transport generates a five-fold return. In addition, doubling the use of public transport would lead to a halving of transport-related carbon emissions and air pollution in urban environments.

To underscore the role that public transport plays in our life both now and in the future and in light of these considerations, UITP initiated the "World Public Transport Day", which is scheduled to occur on 17 April for the first time. This stands under the motto of "One day and millions of journeys". Over 100 organisations from six continents have announced an interest in participating in this global campaign.

Regional initiatives in init's core markets: Europe

At present, the European Union is working on its budget architecture for the period following 2027. In July 2025, the European Commission presented its proposal for a new dynamic multi-annual financial framework (MFF) amounting to almost EUR 2 trillion for the seven years from 2028 to 2034. In this connection, a new European fund with a volume of EUR 409b will be established to foster competitiveness by investing in strategic technologies to the benefit of the entire common market. Decarbonisation and digital transformation are two of the four key elements.

The foundation for the climate protection programme of the EU remains the Green Deal that came into force in 2019 and has been confirmed repeatedly since. Under the terms of the Green Deal, the transport sector must reduce its greenhouse gas (GHG) emissions by 90 per cent by the year 2050. All 27 member states of the EU have committed to making the EU the first climate-neutral continent. So far, almost EUR 400b of EU funding has been invested in climate-related projects from the NextGeneration EU fund and Cohesion Policy Investments.

By contrast, UITP perceives a need for "green" investments of EUR 1.2b per year in Europe. In its policy paper, UITP calls for the financing strategies of the EU to not just extend to traditional investment in infrastructure, but to holistically support mobility systems by integrating the various transport modes and improving service quality and the passenger experience. Priority must be given to efficient public transport and multimodal solutions. In this white paper, UITP outlines the following priorities:

- Create a permanent EU Climate, Energy, and Transport Investment Fund to strategically finance long-term, high-impact decarbonisation CAPEX investments in urban, regional, cross-border, and low-density area public transport.
- Reinforce urban mobility in National Single Plans
- Strengthen and simplify EU funding instruments like the Connecting Europe Facility, Horizon Europe, and Cohesion Funds to enhance accessibility for urban and local mobility projects.
- Dedicate EU Emissions Trading System (ETS) revenue and any forthcoming EU Green Bonds to sustainable mobility, prioritising zero- and low-carbon local transport projects

In 2025 the EU invested almost EUR 2.8b for 94 selected transport projects in the field of public transport spread throughout Europe within the framework of the Connecting Europe Facility (CEF). In addition, the European Commission ratified the Sustainable Transport Investment Plan in November 2025, which provides a strategic roadmap to accelerate the transition to renewables energies in the transport sector. This plan should mobilise at least EUR 2.9b by the end of 2027 to reduce hurdles to investment and promote renewable and low-emission transport technologies. In addition to direct subsidies, the EU funding for the public transport sector also includes loans and financial instruments from the European Investment Bank (EIB), which are designed to promote innovation, sustainability and decarbonisation in urban transport systems. In sum, the EU invested several billion euros in 2025 to make public transport more sustainable, modern and climate-friendly and drive forward the transition to sustainable mobility. For the year 2026 the EU is planning more extensive investments whereby the EU Commission is increasingly relying on the expansion and modernisation of transport networks. The exact sums available for public transport in 2026 have not yet been finally decided on. However, there is a clear trend towards continuous funding of sustainable mobility. This supports the EU mission of delivering 100+ “Climate Neutral and Smart Cities” in which 112 cities are on the path towards climate neutrality by 2030. These cities serve as experiment and innovation centres and receive support in obtaining public funding in return. To this end, the European Investment Bank is offering up to EUR 2b in loans.

On 16 December 2025, the European Commission also announced a new proposal to accelerate the uptake of zero-emission vehicles in corporate vehicle fleets. This plan includes setting a sub-target for zero-emission vehicles with the terms and conditions varying between the member states.

Public transport also plays a decisive role in Germany’s efforts to reach the climate goals. According to calculations by the VDV industry association, 9.86b passengers used public transport road and rail offerings in Germany in the year 2025. This represents slight growth of 0.8 per cent on the previous year. Faster growth would be possible if more were invested in the infrastructure and purchase of vehicles. For the VDV the public transport modernisation pact anchored in the coalition agreement of the governing parties should therefore take precedence. The VDV has submitted proposals to the Federal Transport Minister accordingly. However, the Federal Ministry of Finance and Transport has rejected these to date owing to a lack of available funds, as they fear the states and municipal authorities would demand funding from the federal government. Generally, the income of public transport operators does not suffice to cover the costs of operating public transport networks. In fact, they only cover a little less than one half of total expenses. For this reason, the public sector needs to participate in their financing. At present, the federal and state governments and municipal authorities fund public transport to the tune of approximately EUR 26b annually. In the year 2025 more than EUR 11.5b was allocated to the regionalisation fund from the tax revenue of the federal government to help finance public transport. The regionalisation fund is also being raised by 3 per cent annually until 2031.

In its latest climate protection programme, the federal government has also included another package of measures to expand public transport. Renewing vehicle fleets will receive massive support, regardless of their technology. According to the climate protection programme, up to 50 per cent of all urban buses should be electric by 2030. For this purpose, a funding guideline is being drawn up to promote buses with alternative drivetrains, regardless of their underlying technology. An amount of EUR 1.75b has been set aside for this purpose. In addition, the federal government has committed to promoting model projects aimed at strengthening public transport. Approximately EUR 320m has been made available. The federal government also provides EUR 2b to the federal states via the municipal transport funding act (GVFG), which is also indexed to rise by 1.8 per cent each year. In the view of the VDV, the GVFG is a success story about how to directly fund the modernisation of public transport at the level of the municipalities. It is particularly well suited to becoming the point of departure for the current federal government’s public transport modernisation programme. In the context of the amendments to the GVFG, the association has called for the following measures:

- Deletion of the end date of 2030 and removing the subordination of the funding programme for the overhaul of tram, above-ground and underground railway lines, as well as special railway lines and the overhaul of non-federal railway networks
- Promoting the digital transformation and automation of transport lines, including on-board units in vehicles
- Raising the annual increase of the fund from its current level of 1.8% and coupling it to a cost index.

The current position of public transport is strained in many parts of Germany: rising costs, a shortage of skilled staff and a backlog in modernisation work are placing a burden on transport operators and pose risks to the quality and quantity of their offering. On the cost side, the 5 per cent increase in personnel expenses in 2025 were once again a major factor that put public transport in Germany under pressure. At the same time, the productivity of the labour force of drivers, i.e. their availability, has declined rapidly in recent years. At present, there is a shortage of approximately 20,000 bus drivers and 3,000 train/tram drivers. For this reason, innovations, such as autonomous vehicles in public transport, should receive greater funding to address the shortage of personnel and close gaps in coverage. For this reason, the VDV quantifies the additional annual funding requirements as being much higher than assumed by the government if the quality of public transport in Germany is to remain at a good level. In a report issued on 26 June 2025 on the financing of public transport service costs, the VDV submitted a roadmap for the modernisation and expansion of public transport in Germany through to 2040. In two scenarios – a “modernisation” scenario and a more ambitious “German offer” scenario – this report illustrates how sustainable public transport can be realised in all regions. A key prerequisite is higher funding from the federal and state governments for a period of 15 years that will allow planning reliability. In the modernisation scenario, an average of approximately EUR 1.44b will be needed each year to secure and improve the current public transport offering. In the “German offer” scenario, an annual average of an additional EUR 3.36b is required to comprehensively expand spatial reach and frequency and achieve further growth in passenger numbers. With the “German offer” it is possible to create more routes, more flexible transport offers, more frequent services and a better reach in regional areas.

A study commissioned by the German Environment Agency (UBA) has shown that if the climate goals are to be reached in the transport sector, then public transport needs to be massively expanded. In sum, an additional EUR 91.6b will be needed by 2045. The objective is to provide almost all citizens with an hourly bus or rail connection in close proximity. The study has shown that bus transport needs to be doubled and rail must grow by 50 per cent. To achieve this, the UBA recommends setting nationwide service and accessibility standards in the planned public transport modernisation pact between the federal government, the federal state governments and the municipal authorities. In addition to the anticipated funds from the federal government, a sum of approximately EUR 6.7b will be needed in the year 2030 to cover the expansion of the public transport network, wage and cost increases and a modernisation of the fleet, followed by 14.4b in 2035 and 36.9b in 2045. This funding gap, which represents the total costs for public transport less the funding from the federal government and the forecast operating income sums up to EUR 91.6 in aggregate by 2045. In the opinion of the UBA, an infrastructure fund could provide additional assistance when it comes to funding the required investment in public transport infrastructure. A study of the UBA proposes expanding the funding of public transport by levying additional contributions. One example would be a mandatory employer contribution, as is already the case in France. Depending on the specific structure, up to EUR 2 to 3b could be provided per year.

As one of its first transport policy measures, the German government decided to prolong the "Deutschland Ticket". Ticketing projects such as the nationwide Deutschland-Ticket are a game-changer in the development of public transport and new mobility solutions ("Mobility as a Service) are becoming increasingly popular. In sum, approximately 14.6 million people had used the D-ticket by year-end 2025. This ticket allows ease of access to public transport and represents a significant step towards future mobility: cheaper, simpler, more digital and therefore more attractive.

Regional initiatives in init's core markets: North America

"Smart Ticketing" is also an element of the innovations promoted by the U.S. government under the "Infrastructure Investment and Jobs Act" (IIJA), with over USD 108b being assigned to public transport, extending through to 2026. These investments are targeted at creating sustainable, safe and modern transport infrastructure that does justice to the challenges of climate change and urban mobility. After passing this historical bipartisan act to improve domestic infrastructure, more than 40 programmes were initiated, which culminated in tens of thousands of individual projects. These programmes and funds are flowing into the expansion of railway and bus networks as well as innovative technologies in order to make public transport more attractive and environmentally friendly.

A specific example of such investment is the 2025-2029 Capital Plan issued by the Metropolitan Transportation Authority (MTA) in New York, for the purchase of 500 zero-emission buses and expanding the charging infrastructure of bus depots. However, there are also political moves running contrary to this, such as "Project 2025", which foresees a radical cut in federal funding for public transport, which could jeopardise the expansion of transit systems.

The U.S. budget for 2026 provides for an increase in the funding of public transport by approximately 1.5 per cent, a moderate increase, to maintain existing systems and expand them. A significant portion of the investments is being funnelled into programmes such as "Infrastructure for Rebuilding America" (INFRA), which is aimed at expanding and modernising transport infrastructure. The focus lies on digitalising and modernising transport systems to raise efficiency and improve safety, and this is being supported by the corresponding funding programmes. A number of major projects in public transport are planned for 2026, including a rapid bus transit line in Atlanta, where init is installing a new public transport ticketing system for the World Soccer Cup. For example, approximately 13 significant public transit projects were opened in the United States in the year 2026. These projects extend across various regions and consist mostly of Bus Rapid Transit (BRT) and railway projects. Taken together, these projects will expand the public transport system and facilitate the transition to more environmentally friendly modes of transport. In addition, there are investment programmes in individual states such as the "Capital Program FY 2026" in New Jersey, which has a volume of over a billion that will flow into public transport. These developments are part of a wider trend in North America to open new transit lines in the United States, but also Canada and Mexico, with the aim of making mobility more sustainable.

This also became clear at the "UITP North America Conference" convened from 20 to 22 October 2025 in Los Angeles, where executives from the entire continent's public transport sector came together to examine how cities and urban centres can position themselves to address rising customer expectations, rapid technological progress and the growing need to move people efficiently and sustainably. A workshop on public modes of transport and major events shed light on the preparations for the World Soccer Cup in 2026 and the Summer Olympics and Paralympics in Los Angeles in 2028. Focus was placed on the strategies needed to move millions of spectators safely and sustainably and, at the same time, leave behind sustainable mobility systems.

Also in Canada, a traditionally important market for init solutions, additional billion-dollar investments are earmarked for public transport systems. In this connection, the long-term “Transportation Canada 2030” programme is being continued, even after the change in government in 2025, and driven forward accordingly. An important aspect of the programme is the provision of CAD 3 billion annually from 2026 from the federal government to fund public transport and active transport infrastructure. In addition, additional funding of CAD 1.1b was set aside in 2025 for projects such as the tram network in Québec and the metro in Montréal.

In addition, Transport Canada will assign priority to initiatives in 2026 that lead to an efficient, resilient, green and safe transport system. For instance, a CAD 670m programme is being used to drive forward innovation and approximately CAD 1.7b for the improvement of the transport infrastructure. The three largest transport systems of Canada require major capital spending to master the challenges of modernising their infrastructure. Société de transport de Montréal (STM), for example, has quantified its capital requirements at a total of CAD 34.9b by 2034 to modernise the STM network, renew its aging metro fleet, expand the line network and transition to a zero-emission bus fleet. The Toronto Transit Commission (TTC) is in a similar position. Its capital spending plan is quantified at more than CAD 53b by 2039, of which approximately CAD 37b will be spent in the next few years and used to modernise the fleet and make the transition needed to reach the zero-emission objectives. The City of Toronto is also planning to expand its transport network to keep pace with a growing population and integrate additional municipalities. The TransLink Vancouver regional plan has identified total investment requirements of more than CAD 21 for the next ten years in order to double bus traffic, expand the Bus Rapid Transit (BRT) network and complete its digital infrastructure.

All of these investments in North America are targeted towards an expansion and modernisation of public transport and making it more sustainable.

Regional initiatives in init’s developing markets: Oceania

In addition to these established markets for init, which have evolved over the past decades, other regions, such as Oceania, are also exhibiting potential for public transport sustainability and expansion initiatives. For instance, Australia is investing more heavily in its transport infrastructure. A sum of AUD 17.1b has been set aside in the federal budget for 2025-2026 for new and existing road and rail projects.

In addition, the State of Western Australia (WA) intends to invest approximately AUD 10.7b in transport projects, which also include public transport. New South Wales (NSW) has set up the “Transport for NSW Corporate Plan 2025-2026” and is pursuing major infrastructure projects, such as the construction of a metro line to service the new Western Sydney International Airport. The State of Victoria is continuing to invest in public transport as part of its emission reduction programme 2026-2030, involving such major projects as the Suburban Rail Loop and the Melbourne Airport Rail Line.

New Zealand has also set up a number of significant public transport initiatives at both national and regional level. At national level, the 2025/2026 government budget has set aside extensive funding of NZD 32.9b for the National Land Transport Programme (NLTP), which places a balanced focus on road, rail and public transport. Moreover, the New Zealand Upgrade Programme has budgeted NZD 6.8b for the improvement of urban mobility, traffic safety and productivity gains. The 2025 budget has also set aside approximately NZD 600m for the modernisation and expansion of the rail network, of which NZD 140m is earmarked for urban rail in Auckland. As a result, 2026 will see the focus placed on an extensive investment programme for public transport aimed at sustainable mobility, better networking and modernisation of the transport infrastructure, also in support of its climate mitigation measures.

From a regional perspective, development plans such as the Otago Regional Public Transport Plan 2025-2035, which sets the focus of the public transport investment strategy in the Otago region for the next ten years, places particular emphasis on the modernisation and expansion of public transport infrastructure. The “Future Connect” project pursues the goal of developing an integrated and future viable public transport network. Auckland Transport has also approved an investment programme of NZD 1.352b that is targeted at improving and expanding public transport.

This programme clearly aligns the strategy towards sustainable mobility, the improvement of public infrastructure and the promotion of public transport as a key element in the transition to renewables and climate neutrality in the transport sector. They are also elements of more extensive infrastructure plan that foresees investments of over NZD 200b for the coming years, one of the largest infrastructure offensives in the history of New Zealand.

Business performance

Distribution of revenue in the init group largely depends on the investment choices of the public transport companies. These are spread unevenly over the financial year, with the first quarter as a rule being the weakest and the fourth quarter being the strongest in terms of revenue. This seasonality was once again evident in financial year 2025.

Revenue amounting to EUR 70.4m was generated in the first quarter of 2025 (Q1 2024: EUR 50.5m). Revenue was therefore up by approximately 39.5 per cent on the previous year.

In the second quarter of 2025, the group generated revenue of EUR 71.4m (Q2 2024: EUR 64.0m). Revenue for the first half of the year therefore rose to EUR 141.8m, which is 23.8 per cent above the figure of EUR 114.5m for the same period in the previous year.

Revenue amounting to EUR 85.1m was generated in the third quarter of 2025 (Q3 2024: EUR 63.6m). Revenue for the first nine months of 2025 therefore came to EUR 226.9m, above the figure for the same period of the previous year (30 September 2024: EUR 178.1m), an increase of approximately 27.4 per cent.

In the fourth quarter of 2025 the init group generated revenue of EUR 102.8m (Q4 2024: EUR 87.6m). This implies that revenue rose by EUR 15.2m or 17.4 per cent on the same quarter of the previous year, making it the strongest quarter of the financial year, as in the previous year.

Net assets, financial position and results of operations

Results of operations

For the financial year 2025, the init group recorded **revenue** of EUR 329.7m (previous year: EUR 265.7m), slightly below the target corridor, which was raised in July from between EUR 300-330m to EUR 340-370m. The primary reasons for missing the raised corridor can be found in a slight delay in the progress of the

MARTA project and greater reticence on the German market for discretionary investment spending than anticipated.

In comparison to the previous year, revenue rose by approximately EUR 64.0m or 24.1 per cent and is therefore well above the corridor set for long-term growth.

Revenue in Germany increased by EUR 6.4m or 7.2 per cent on the previous year, mainly due to the consolidation of DILAX for the full year. Organic growth on the German market only came to about 3.3 per cent. As a result, sales growth in the German market was well below other business in relative terms. The main factors lie in the tangible reticence among customers to commit to discretionary investment spending on account of the uncertainties plaguing the market, both before and after the federal election. At EUR 95.7m (previous year: EUR 89.3m), Germany nevertheless remained the second largest market after North America.

Of total revenue, 71.0 per cent (previous year: 66.4 per cent) was generated outside of Germany. The strongest region was once again North America, where revenue jumped significantly to EUR 130.8m (previous year: EUR 97.8m). As in the previous year, major projects for fare collection management systems for metropolitan regions such as Atlanta (GA) and Houston (TX) were material items to this result.

At EUR 78.0m, revenue in Europe (excluding Germany) was up approximately EUR 18.8m or 31.7 per cent on the previous year (previous year: EUR 59.2m). In addition to the full-year revenue of DILAX following its acquisition, progress on the iBus nextGen project and the projects in France, Switzerland and Luxembourg, also had an impact in this regard.

The other countries recorded rising business in comparison to the previous year. Revenue in this segment increased by EUR 5.9m or 30.6 per cent to EUR 25.2m (previous year: EUR 19.3m); an increase in business in the Middle East played a decisive role in this regard.

329.7

EUR m

Consolidated revenue in the 2025 financial year up +24.1 per cent on the previous year – representing another record in our corporate history

At EUR 32.5m, earnings before interest and taxes (EBIT) for financial year 2025 lie within the target corridor revised upwards from EUR 30-33m to EUR 32-35m. With a rise of 32.5 per cent, they lie significantly above the EBIT recorded in the previous year (EUR 24.5m). Notably, the EBIT target was reached despite revenue falling slightly short while costs associated with the reorganisation of the Group and tariffs in the United States were slightly higher than expected. The group's EBIT margin improved in the 2025 financial year and comes to 9.9 per cent after rounding (previous year: 9.2 per cent) and lies within the objectives for the financial year, however, slightly below our medium-term target of at least 10 per cent.

Earnings before interest, tax, depreciation and amortisation (**EBITDA**) came to EUR 49.2m in the year 2025 (previous year: EUR 38.7m). The EBITDA margin in the 2025 financial year of 14.9 per cent is above the previous year (previous year: 14.6 per cent).

Gross profit rose by EUR 22.4m or 22.7 per cent to EUR 120.8m (previous year: EUR 98.4m). The gross margin comes to 36.6 per cent and is therefore down on the previous-year when it reached 37.0 per cent. The gross margin was burdened in 2025 due to the effect of the mega-projects, which exhibit lower than average margins, and the effect of lower capacity utilisation due to lower demand in Germany for the smaller businesses (mainly: future Cloud Solutions segment), which could be partly compensated by strong demand by sales orders from long-standing customers.

Sales and marketing expenses increased by 11.0 per cent year-on-year, a much slower rate than the increase in revenue, to EUR 34.8m (previous year: EUR 31.3m). The cost increases result from more intensive sales activities and the employment of additional sales resources, also from higher travel expenses.

Administrative expenses rose by EUR 6.3m or 21.0 per cent year-on-year to EUR 36.5m (previous year: EUR 30.2m), also at slower rate than revenue growth. The increase is primarily due to an increase in personnel expenses, partly on account of the acquisition of the DILAX Group. DILAX was consolidated for the full 2025 financial year. In the previous year, when it was consolidated for the first time, it was only consolidated on a pro rata temporis basis.

Research and development expenses of EUR 18.5m are up by approximately EUR 4.7m on the already high level set in the previous year of 13.9m. The sustained high cost level is due to the concentration on hardware developments and expanding AI capability, especially in the field of optical systems (for the future Passenger Intelligence segment). In addition, we invested EUR 13.9m in internally generated software, which has been capitalised under internally generated intangible assets. As a result, init invested a total of EUR 32.4m or 9.8 per cent (previous year: 9.5 per cent) of its revenue in basic development and product development.

At EUR 2.2m, **other operating income** was down by EUR -1.6m or -41.8 per cent on the income of the previous year (EUR 3.8m). The main items under other operating income include rental income, income from the disposal of assets and government grants. The reduction is largely due to lower subsidies collected and the fact that the income recorded in the previous year from the appreciation of gold reserves, which were disposed of in 2024.

The **net gain on currency translation** of 0.3m (previous year: loss of EUR 1.7m) mainly consist of unrealised exchange gains and losses from the translation of receivables and payables denominated in foreign currency.

Net interest income (interest income less interest expenses) comes to EUR -3.6m (previous year: EUR -3.0m) and results primarily from the mortgage finance for the location in Karlsruhe, the interest expense on pension provisions, the finance for the purchase of the remaining shares in iris-GmbH, the purchase of the shares in DResearch Fahrzeugelektronik group (DVS/DFE) and the DILAX Group. Net interest decreased on account of a higher volume of borrowing, on average. However, this increase in borrowing could be scaled back in the fourth quarter already due to improved cash management/pooling.

Consolidated net income of EUR 19.4m is up significantly on the previous year (EUR 15.2m), in line with the higher operating result posted by the group. The tax rate of 33.0 per cent has increased year-on-year (previous year: 29.5 per cent). This is due to changes in the tax rates in certain countries and effects in previous accounting periods.

Consolidated comprehensive income decreased by EUR 5.1m or 27.2 per cent from EUR 18.8m in the previous year to EUR 13.7m. Despite the increase in net income, comprehensive income is down in comparison to the previous year due to unrealised exchange losses of EUR -6.4m (previous year: exchange gains of EUR 3.3m). This was partly countered by the positive effect from the revaluation of pension provisions of EUR 0.7m (previous year: EUR 0.3m). Please refer to the consolidated statement of comprehensive income for more information on the development.

Incoming orders

The init group won new contracts with a total volume of EUR 281.9m in the financial year 2025. As expected, it was not possible to repeat the high order intake of the previous year, which was affected by two major projects that elevated it to EUR 432.8m. Nevertheless, the order intake lies in the mean range of the last three years, even though major projects have a significant effect on the distribution of the order intake over time. Due to the fact that their collection cannot be reliably foreseen – partly due to geopolitical conditions – the development of the order intake is difficult to predict.

High demand from our existing customers was once again a major factor in the success of the business in the 2025 financial year. In the segment of equipping new passenger counting systems and retrofitting old ones, we recorded high-volume orders from customers, such as DB Regiobus Baden-Württemberg and VBK / AVG in Karlsruhe, but also in the United States. This was complemented by migration projects at long-standing partners, who wanted to migrate to the latest generation of init solutions, confirming their continued involvement with our business. Examples are Wuppertaler Stadtwerke, transN in Neuchâtel, a transport operator in Avignon, and one in Salzburg. Another significant milestone was the successful system migration to an innovative ticketing solution with the newly developed validator solution at BOGESTRA in Bochum, Germany.

281.9

EUR m

order intake

Of the total order intake, 33.6 per cent can be attributed to Germany, up on the previous year. In addition to the existing customers referred to above, this also includes new customers, such as Kassel or Pinneberg, that were won in the financial year.

The order intake in North America remained at the same level as the previous year in absolute figures but dropped slightly to 36.0 per cent of the total volume. This result is largely due to follow-on orders from MARTA, Atlanta and stable aftermarket business with existing customers.

The order intake in the rest of Europe accounted for 21.3 per cent of the total, less than in the previous year. This can be primarily attributed to a smaller number of projects being put out to tender, even though new customers were won, such as TPF in Fribourg, Switzerland.

The share of the order intake accounted for by other countries more than doubled to 9.2 per cent. This is chiefly due to follow-up contracts in the Middle East in both maintenance and fleet expansions in the course of transitioning to nextGen technology. The first notable contract was received from Singapore, which involved a personnel deployment solution.

At year-end, the order backlog stood at EUR 343.0 (previous year: EUR 383.6m). We expect a significant proportion of our revenue, around EUR 254m to be secured through fulfilling our performance obligations for 2026. The consistently high level of new orders indicates that our new product development is bearing fruit.

343.0

EUR m

order backlog

Our market is still characterised by a large number of new international tenders. Due to the very positive development of the market, init participates in ever larger and ever more complex calls to tender. In addition, the long-term customer relationships endow init with a solid foundation for its business as they generally result in a substantial volume of recurring business in the form of follow-up orders as well as maintenance, support and operating agreements. In sum, the contracted performance obligation amounts to approximately EUR 994m.

Principles and objectives of financial management

Securing the long-term liquidity of the init group has top priority. This requires a liquidity-oriented corporate policy and a steady alignment of all corporate processes towards improving liquidity and earnings. Financial risks, particularly interest risks and currency risks, are reduced – wherever this makes sense – by the use of derivative hedging instruments. In order to maintain financial headroom, the init group has arranged sufficiently high lines of credit, which have only been partially utilised.

Financial position

One of the priorities for the group’s management is to further strengthen the init group’s capital structure, which is key to enjoying the continued confidence of our stakeholders. As in the previous year, the init group’s financial position in financial year 2025 can therefore be described as very solid. In the financial year, init continued its measures to restructure its corporate financing via init SE Holding to make it more efficient and improve liquidity. In addition to group-wide introduction of a cash pooling facility, cash lines were extended to aid short-term financing. Together with more intensive working capital management, net liquidity could be improved by approximately EUR 13.4m after corporate acquisitions.

Capital structure

Liabilities to banks as of 31 December 2025 amounted to EUR 57.9m (previous year: EUR 69.4m) and mainly relate to real estate and acquisition financing, particularly the purchase of shares in the DResearch

Fahrzeugelektronik Group (DVS/DFE), the DILAX Group and ViSenSys GmbH, as well as loans taken out to finance working capital.

The long-term portion of bank loans relates to a number of innovation loans totalling EUR 13.8m (previous year: EUR 17.6m) as well as long-term loans to finance corporate acquisitions of EUR 11.6m (previous year: 12.3m). The property financing for Käppelestraße 8, 8a and 10 is now included at EUR 0.0m (previous year: EUR 0.1m), as these will be fully repaid in 2026. The remaining loans fall due at different times before 2032 and bear market interest rates. They are denominated in EUR and are therefore used to cover expenditures in the same currency.

The total value of short-term liabilities to banks came to EUR 32.5m on the reporting date (previous year: EUR 39.4m). These consist of the payments of principal that fall due on long-term loans in the coming financial year as well as any bank overdrafts on working capital facilities. These are countered by cash and cash equivalents, including highly liquid securities, of EUR 25.5m (previous year: EUR 23.6m). The balance of short-term bank liabilities less cash and cash equivalents, including securities therefore comes to EUR -7.0m (previous year: EUR -15.9m).

According to the consolidated balance sheet, non-current liabilities decreased by EUR 3.0m to a total of EUR 68.1m. Of this decrease, an amount of EUR 4.6m is attributable to long-term loans. Pension provisions decreased marginally by EUR 0.8m to EUR 7.0m (previous year: EUR 7.8m). Other non-current provisions mainly relate to warranties. Non-current lease liabilities have decreased, closing the year at EUR 21.4m (previous year: EUR 24.2m). Deferred tax liabilities have risen significantly to EUR 12.0m due to the different treatment of projects between the IFRS and HGB accounting frameworks (previous year: EUR 7.4m). In addition, there are non-current other liabilities arising from the first-time consolidation of ViSenSys.

According to the consolidated balance sheet, current liabilities decreased by EUR 5.5m to EUR 102.1m (previous year: EUR 107.6m). This change can be mainly attributed to a decrease of EUR 6.9m in liabilities to banks, a decrease of EUR 7.8m in contract liabilities to EUR 12.6m (previous year: EUR 20.4m) and an increase of EUR 7.7m in trade accounts payable to EUR 21.3m. Current provisions decreased by EUR 1.1m. Current lease liabilities rose on the previous year to EUR 5.4m (previous year: EUR 5.0m). Income tax liabilities amount to EUR 2.7m and are therefore down on the level of the previous year. Other liabilities increased by EUR 1.4m. The increase of EUR 1.7m in advance payments to EUR 3.3m countered the reduction in contract liabilities to some extent.

The group's static debt ratio (measured as current and non-current bank debt divided by equity and multiplied by 100) comes to 41.0 per cent and is therefore down on the previous year (51.7 per cent) due to the increase in equity and a simultaneous decrease in liabilities to banks. Net gearing (net debt divided by EBITDA and multiplied by 100) stands at 65.9 per cent (previous year: 118.4 per cent).

The group is in a position to meet all its debts at all times without any restriction. The equity ratio of 45.3 per cent is above the level of the previous year, when it stood at 42.9 per cent. This is due to an increase in equity of EUR 6.8m or 5.1 per cent to EUR 141.2m (previous year: EUR 134.3m) and the reduction in liabilities, liabilities to banks in particular. This latter item decreased from EUR 69.4m to EUR 57.9m, a decline of 16.6 per cent.

Investments

Capital expenditures for property, plant and equipment and other intangible assets came to EUR 18.8m (previous year: EUR 18.1m) and, in addition to replacements and additions to property, plant and equipment of EUR 4.4m, include investments in data-processing software and standard applications of EUR 0.4m as well as internally generated software and product developments of EUR 13.9m.

Liquidity

Operating cash flow increased significantly on the previous year to EUR 48.8m (previous year: EUR 10.8m). Due to the increased focus on working capital management, it was possible to increase operating cash flow in spite of the negative effects on working capital from the growth in sales.

Cash flow from investing activities came to EUR -19.1m (previous year: EUR -24.0m) and mainly consists of investments to acquire financial assets of EUR -2.6m (previous year: EUR -7.1m), investments in software of EUR -0.4m (previous year: EUR -0.2m), investments to replace or expand other plant and equipment and furniture, fixtures and other operating equipment of EUR -3.4m (previous year: -3.4m) as well as the recognition of internally-generated software of EUR -13.9m (previous year: EUR -11.3m).

The cash flow from financing activities comes to EUR -25.8m (previous year: EUR 8.5m) and is mainly a result of loan repayments, dividend payments and the settlement of lease liabilities.

Cash and cash equivalents, including highly liquid securities, came to EUR 25.5m at the end of December 2025 (previous year: EUR 23.6m). As a result, net liquidity could be improved despite the high level of capital expenditure, especially in internally-generated software within the framework of the nextGen innovation campaign.

Net assets

As in previous years, the net assets of the init group in financial year 2025 can be described as stable and robust.

Total assets decreased by EUR 1.7m on the previous year or 0.5 per cent to EUR 311.4m as of 31 December 2025 (previous year: EUR 313.0m).

The decrease is largely due to the reduction of trade accounts payable (EUR 3.2m), inventories (EUR 8.3m) and property, plant and equipment (EUR 4.9m). These were countered to some extent by a rise in intangible assets of EUR 8.4m to EUR 52.6m (previous year: EUR 44.1m).

Net working capital (current assets less current liabilities) comes to EUR 72.7m (previous year: EUR 86.3m).

The reduction in trade accounts receivable and inventories can be attributed to more intensive working capital management. The increase in intangible assets originates primarily from the recognition of development work performed within the framework of the nextGen Cloud innovation campaign and other forward-looking software platforms.

The reduction of EUR 11.5m in short and long-term bank liabilities reflects the use of the capital generated by operating activities. Equity increased by EUR 6.8m to EUR 141.2m by year-end (previous year: EUR 134.3m). This is mainly due to the net income of the group of EUR 19.4m, countered by the negative effects from foreign currency translation of EUR -6.4m and the dividend distribution of EUR -7.9m. The equity ratio improved to 45.3 per cent (previous year: 42.9 per cent).

Net assets, financial position and results of operations of init SE pursuant to HGB

General information

In addition to the report on the init group, we summarise developments at init SE in the section below.

init SE is the management holding company of the init group and, as such, does not carry out any operating activities. It manages the finances of the operating companies of the group and is responsible for strategic planning and risk management. init SE also handles tasks in the areas of accounting, controlling, project management, legal, marketing and human resources of INIT GmbH, INIT Mobility Software Solutions GmbH, INIT Nottingham, INIT Montreal and INIT Maynooth, as well as other shared services for all entities in the group.

init SE's annual financial statements are prepared in accordance with the German Commercial Code (HGB). The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). This results in differences in accounting and valuation methods. These mainly relate to pension obligations, IFRS 16 and deferred taxes.

Results of operations

init SE is steered using annual projections for revenue and earnings before taxes and interest. init SE generated revenue of EUR 16.6m in the 2025 financial year (previous year: EUR 7.4m) – mostly generated from services performed for group entities. The increase in revenue is a consequence of a review of services and subsequent adjustments of cost allocation in the 2025 financial year. Earnings before tax of EUR -3.1m were generated (previous year: EUR -6.3m), which is slightly below our expectations. Earnings before taxes includes investment income of EUR 9.4m (previous year: EUR 4.8m). This income originates from the subsidiaries of INIT Chesapeake which accounts for EUR 5.5m, INIT Innovation in Traffic Systems FZE accounts for EUR 2.4m, Hansecom accounts for EUR 1.2m, Mattersoft Oy accounts for EUR 0.2m, and inola GmbH accounting for EUR 0.1m. Furthermore, earnings also include the expense originating from absorbing the loss of INIT GmbH and IMSS GmbH of EUR 3.6m under a profit and loss transfer agreement (previous year: income of EUR 2.8m from INIT GmbH). Personnel expenses came to EUR 13.3m (previous year: EUR 12.5m), largely on account of salary increases. Other operating expenses amounted to EUR 10.3m (previous year: EUR 9.1m). The increase can be attributed to an increase in software purchases, maintenance and travel expenses.

Net assets and financial position

The net assets, financial position and results of operations of init SE remain in a sound condition.

Financial position

Other financial ratios of relevance to init SE are liquidity and the equity ratio, and these are discussed below. As of the reporting date, cash and cash equivalents and securities totalled EUR 0.2m (previous year: EUR 0.1m) and are therefore down approximately EUR 0.1m on the previous year. The change in cash and cash equivalents during the year resulted chiefly from cash paid out for payments of principal and interest for mortgage financing, the distribution of dividends and the settlement of income taxes. The cash and cash equivalents and existing credit lines are sufficient to meet all existing and future payment obligations.

init SE covers its financing requirements from the income received from its equity investments, profits from profit and loss transfer agreements, charging for services, and by taking out long-term borrowings. With these funds, init SE finances the group entities.

Net assets

The total assets of init SE amounted to EUR 131.7m on the reporting date (previous year: EUR 105.0m), while the equity ratio declined compared to financial year 2024 to 28.1 per cent (previous year: 44.2 per cent).

The assets mainly comprise financial assets, land and buildings, capitalised IT systems, primarily the ERP system, and receivables from affiliated companies. Under financial assets, shares in affiliated companies rose on the previous year to EUR 60.0m (previous year: EUR 56.8m), largely due to capital increases at INIT Innovations in Transportation Ltd, Nottingham and DILAX Intelcom GmbH, Berlin. A list of the shareholdings can be found in the notes. Loans to affiliated companies decreased in the reporting year and now stand at EUR 12.4m (previous year: EUR 16.3m).

The increase in assets is financed by the increase of EUR 12.9m in bank loans to EUR 57.0m (previous year: EUR 44.1m), relating to the mortgage financing of the buildings at Käppelestrasse 8/8a and 10 in Karlsruhe, loans for the acquisition of other companies, long-term innovation loans and short-term lines of credit. The mortgage loans are fully secured by land charges. In addition, higher liabilities to affiliated companies of EUR 30.2m (previous year: EUR 6.0m), following the introduction of a global cash pooling facility, contributed to financing.

Non-financial performance indicators

The annual average headcount at init SE came to 112 employees (previous year: 116 employees). Of these, 66, as an annual average, were full-time staff (previous year: 72 employees).

In total, employees took part in 81 (previous year: 89) internal and external advanced training sessions in 2025.

The non-financial goals of the group apply by analogy.

Opportunities and risks of future development

Please refer to the relevant section (Forecast, opportunities and risks) for the group, as the opportunities and risks of the company are closely related to those of the group due to its holding function.

Internal control and risk management system in relation to the financial reporting process

Here, reference is made to the relevant section for the group (Internal control and risk management system pertaining to the group financial reporting process).

Expected business development and outlook

The development of init SE materially depends on developments at its operating subsidiaries and is currently subject to a higher level of uncertainty due to the ramifications of the Ukraine crisis, the conflict in the Middle East, the development of global trade tariffs and the widespread geopolitical tensions on the global economy. Furthermore, the high inflation rates that are still seen worldwide could have a negative impact on the development of business.

Earnings before interest and tax came to EUR -1.8m (previous year: EUR -5.7m). Against the backdrop of a persistently high order backlog within the init group, we are forecasting revenue for the entire group in the current financial year to lie above our mid-range growth corridor and above the level reached in financial year 2025. The revenue of init SE is expected to rise slightly. In light of this development and the anticipated improvement in the operating results returned by the subsidiaries, init SE, as the parent company of the group, forecasts a significant improvement in its earnings before interest and tax for the 2026 financial year.

Closing statement to the dependent company report

Under Section 312 of the German Stock Corporation Act (AktG), the Managing Board is required to prepare a report on the company's relationships with its affiliates ("dependent company report"), which was audited by the company's auditors. The dependent company report prepared by the Managing Board closes with the following statement:

"We hereby declare that, according to the circumstances known to us at the time when the legal transactions and measures were undertaken, the company received a commensurate consideration in the financial year under review for all the transactions and measures listed in the report on our relationships with affiliates ("dependent company report") and that the company suffered no adverse effects as a result of measures and acts either undertaken or omitted."

Employees

A key objective of the init group is to generate sustainable profitable growth. In order to achieve this and complete ongoing customer projects on time, the workforce was once again increased in financial year 2025. It will be necessary to bolster the workforce again in financial year 2026 in order to secure work on customers' projects as well as to address further growth. We will counter the challenges confronting the development department, particularly with regard to the ticketing business, digital transformation, electromobility and cloud solutions, by conducting new recruiting drives.

Headcount

Overall, in financial year 2025, the init group had an average of 1,558 employees (previous year: 1,361 employees) including casual workers, research assistants and students writing their theses. The number of employees working part-time rose to 277 (previous year: 251).

In addition, there were 39 employees on average in apprenticeships (in the occupations of information technology, electronics, industrial and commercial business administration), or are studying at universities of cooperative education in the fields of data processing, information technology, commerce or industrial engineering.

Overall picture of the economic situation

Despite the instable business environment and geopolitical tensions, the Managing Board generally views the development of business in 2025 positively and the year as a successful one, now that the coronavirus pandemic has ended. The targets were met in all material respects. Thanks to its broad geographic positioning paired with its extensive product portfolio, init exhibited a great degree of resilience in the face of the headwinds and global challenges sweeping the business environment.

Incoming orders are at a satisfactory level of EUR 281.9m for the financial year. As expected, it was not possible to repeat the record set in the previous year (EUR 432.8m), which was due to winning the megaprojects of AFC 2.0 at MARTA, Atlanta, and iBus nextGen for TfL, London. With sustained high investment in research and development of EUR 32.4m (previous year: EUR 25.2m) and numerous innovative projects, init has also laid the groundwork for winning new contracts that will allow it to continue growing in future. A very good foundation has been laid for the coming 2026 financial year with the existing order backlog of EUR 343.0m as of 31 December 2025.

Revenue of EUR 329.7m lies slightly below the target corridor, which was raised from EUR 300-330m in July to EUR 340-370m. However, EBIT of EUR 32.5m does lie within the adjusted target corridor of between EUR 32 and 35m.

Thanks to the earnings growth and the strong cash performance in financial year 2025, the init group's financial position is stable and has even been strengthened further. The cash flow from operating activities came to EUR 48.8m. In addition to the solid contribution from the operating result, this is primarily due to improved working capital management in comparison to the previous year, primarily on account of further optimisation of inventories and a reduction in trade accounts receivable despite the simultaneous significant rise in output.

We would also like our shareholders to participate in our business success. In light of the pleasing development of business in 2025, the Managing Board proposes a dividend of 80 cents plus an extraordinary dividend of 10 cents per share as a celebration of our 25th anniversary as a listed company on 24 July 2026, in other words, 90 cents in total.

Looking forward to financial year 2026 we view our prospects with optimism.

FORECAST, OPPORTUNITIES AND RISKS

The achievement of our business objectives depends on certain events, developments or the implementation of actions and strategies as planned. Assumptions must be made for these and other factors in forecasting future performance. Where factors both known and unknown have negative effects on the achievement of goals, this constitutes a risk. Positive effects give rise to opportunities.

Outlook

Expected macroeconomic environment

Our market for integrated intelligent mobility solutions for buses and trains is undergoing a major transformation worldwide and is breaking into new territory, characterised by such trends as the digital transformation, electromobility, autonomous vehicles, smart ticketing and the increasing use of artificial intelligence. This is creating a continuous rise in the complexity facing operators of public transport fleets and necessitates the use of suitable tools to collate, prepare and analyse the (real-time) data that is available. This requires the kind of apps and software that init can offer as the global leader in digital solutions for buses and trains.

A prerequisite is that transport operators have sufficient funds available for their investments or have government backing. On the one hand, public bodies are under pressure to consolidate their budgets. On the other, they are also under pressure to combat climate change and invest in intelligent (transport) infrastructure to secure a better future. If the current trend of an easing in budget policies currently observed in some countries persists, it could unleash further growth stimulus for the init group.

After seeing headwinds affect the market in the 2025 financial year, init does not expect to see any material improvement in the macroeconomy in the 2026 financial year. However, even when facing such adverse conditions, init has proven a high degree of resilience thanks to its international diversification and extensive product portfolio. The Managing Board has driven forward structural improvements and taken measures to raise productivity and improve internal financing. These include integrating operating cash flow in the incentive system for management in the 2025 financial year and various measures to improve productivity.

These were accompanied by the deliberations given to a fundamental reorganisation of the group that culminated in an adjustment of the management structure effective 1 January 2026. In future, init will be composed of three business units that will each be managed by the Business Unit Executive Committees under the guidance of one of the members of the Managing Board. Overall responsibility for the strategic alignment and management of the organisation remains with the Managing Board of init SE.

In this context, init has made a forecast not only of revenue and EBIT at group level but, for the first time this financial year, also for each of these segments. In addition, the Managing Board has decided to include operating cash flow as a key management indicator for the group. As a result, it has also published a forecast for this indicator as well.

Forecasts for the init group for the 2026 financial year

The forecasts are based on the persistently high order backlog of EUR 343.0m as of 31 December 2025. This already includes performance obligations of EUR 254m for the 2026 financial year. Substantial potential remains in connection with the iBus NextGeneration project for Transport for London and AFC 2.0 / “Better breeze” at MARTA, Atlanta. In addition, init has registered a steadily high number of calls to tender for digital transformation projects in the European market and in Oceania. init can benefit from this trend over the long term.

This should also be viewed in light of the fact that init is increasingly evolving from being a supplier of technology towards becoming a service provider for transport operators, i.e. one that also delivers services to them. This is substantiated by the trend seen in recent tender wins of growing demand for our maintenance and service packages, where we perform operating functions for our customers. Due to the long-term nature of these contracts, this ensures high customer loyalty and quantifiable revenue streams for the long term: the sum of the contracted performance obligations comes to EUR 994m.

Against this backdrop, the Group anticipates revenue of between **EUR 380 and 410m** in the 2026 financial year. This implies that init will remain on the growth trajectory seen in recent years and will once again at least meet the long-term growth target of 10-15% p.a.

In light of the measures taken in 2025, profitability should continue to improve. As a result, init expects to realise an EBIT of between **EUR 38 and 42m** in the 2026 financial year. The communicated medium-term target of attaining an EBIT margin of more than 10 per cent therefore appears attainable in the 2026 financial year.

After a change in focus, operating cash flow developed positively in the 2025 financial year. A significant improvement in working capital was observed, especially in the fourth quarter. Repeating this improvement in the 2026 financial year is only feasible to some extent. Assuming that the improvement in working capital management remains in place and there are no significant disruptions to supply chains, the Managing Board expects to see an operating cash flow of between **EUR 32 and 38m** in the 2026 financial year.

init Group

EUR m	Group current status Financial year 2025	Group forecast Financial year 2026
Revenue	329.7	380 – 410
EBIT	32.5	38 – 42
Operating cash flow	48.8	32 – 38

Reorganisation to business units effective 1 January 2026

An essential factor of our business model is the day-to-day analysis of the current processes and the structures needed for a strategic alignment that raises the value of the business. The market is currently changing faster than ever before. Mastering this change will require identification of future-oriented areas for rationalisation or optimisation. This will be a critical factor in developing improvement strategies.

An analysis by the Managing Board revealed that the growing complexity in the init group, not least due to the acquisition of the DILAX Group in the 2024 financial year, paired with the current rapid growth, which is expected to continue in future, can no longer be effectively addressed by relying on the Managing Board to lead all businesses directly. The increasing complexity of the demands placed on public transport operators, due to such factors as climate change and decarbonisation, the electrification of vehicle fleets, budget uncertainties, rising passenger expectations and cybersecurity, are resulting in a change in the pattern of contracts put out to tender and demand. In response, the Managing Board decided to establish a new management structure effective 1 January 2026, that would do justice to identifying demands. This involves a reorganisation of the business into three business units (BU):

- **INIT Integrated Systems**
- **INIT Cloud Solutions**
- **INIT Passenger Intelligence**

The management of each business unit exhibits greater proximity to the business, has the best information about customers, the market, the competition, trends, technology and sales & distribution logic. Consequently, it can implement successful strategies more rapidly. Moreover, the strengths of individual units will be bundled and together have a greater effect. The objective is to promote innovation in BU teams acting at their own initiative in order to support customer success and encourage strong growth.

INIT Integrated Systems

The INIT Integrated Systems BU focuses on holistic systems and solutions with the objective of competing on the global market as a full-range provider to the public transport sector, able to install and operate large-scale integrated systems. This follows the emerging trend that ever more public transport operators are interested in transferring their services and operations to an init platform to ensure 24/7 technical service and a long-term state-of-the-art technology partnership ranging up to 20 years.

One such example is the extensive modernisation of the nationwide Global Telematic System (GloTel) in Luxembourg. The contract with ATP (Administration des Transports Publics) involved the migration of the existing intermodal transport control system to the next generation MOBILE ITCS nextGen solution from init as well as providing the hardware for 1,700 buses along with operation and maintenance support for five years. This allows monitoring and control of the RGTR (Régime Général des Transports Routiers) bus network run by private operators under contract for ATP. In addition, the system provides reliable passenger information. To ensure the greatest possible security of the state-of-the-art ITCS cloud technology, ATP and init decided to operate the central IT infrastructure in geo-redundant data centres located in Luxembourg. This ensures maximum system availability and comprehensive data security. In addition, init is supplying other operating services, such as hosting the entire system, software and hardware maintenance as well as monitoring the status of all system components. These include the automated passenger counting system, MOBILE-APC, consisting of counting sensors in the vehicles, passenger information presented on TFT infotainment displays and wireless data transfer to trigger priority at traffic lights. Moreover, at numerous bus stops waiting passengers are informed in real time of coming departures. A workflow and event management system is installed at the operations control centre as well as an analytical and statistics system, that is particularly useful for assessing the performance of the individual bus operators.

The subsidiaries, INIT GmbH (Karlsruhe/Germany), INIT Inc. (Chesapeake/USA) INIT Inc. (Montreal + Toronto/ Canada), GO-1 LLC., SQM LLC, TQA LLC. (Chesapeake/USA), INIT Ltd. (Nottingham/UK, Maynooth/Ireland), INIT PTY LTD (Brisbane + Sydney/Australia), INIT NZ Ltd. (Dunedin/New Zealand), INIT FZE (Dubai/UAE) and INIT L.L.C. (Dubai/UAE) are all allocated to the INIT Integrated Systems business unit.

INIT Cloud Solutions

The **INIT Cloud Solutions** business unit focusses on software and data platforms with the objective of offering public transport operators of all sizes integrated software solutions and providing an increasing number of customers access to the cost benefits of using cloud-hosted systems. With Software-as-a-Service (SaaS) models from init, the required applications are hosted on an external cloud server and therefore accessible via the internet. Instead of purchasing software and installing it on individual devices, users instead subscribe to the service and can use it via a web browser or app. This generally includes regular updates and maintenance. As a result, they can also address unforeseen developments in later years, such as including self-driving cars in the network.

The solutions provided by the business unit also function as standalone components so that customers can effectively select exactly the modules that meet their needs. This saves public transport operators from the need to invest in their own server hardware and it also cuts their general IT expenditure, which is a great advantage when there is a shortage of IT specialists on the market. All init systems are provided as client systems. This means that each public transport operator is assigned as a client of the system. This model also offers the greatest possible flexibility as users can access the software from any location via an internet connection. In addition, the users of cloud-based init systems can rely on a high level of cyber security.

The INIT Cloud Solutions business unit consists of INIT Mobility Software Solutions GmbH (Hamburg + Karlsruhe/Germany), inola GmbH (Pasching/Austria), HanseCom GmbH (Hamburg/Germany), IHC IB Public Transport Solutions, Unipessoal LDA (Lisbon/Portugal), Mattersoft Oy (Tampere/Finland), CarMedialab GmbH, (Bruchsal/Germany) and CarMedialab Corp. (Chesapeake/USA).

INIT Passenger Intelligence

The INIT Passenger Intelligence business unit focusses on intelligent components and advanced solutions for recording, analysing and evaluating passenger movements and flows to allow public transport operations to be optimised and monitored. This consists of both hardware, such as passenger counting sensors, cameras, recorders, monitors and video systems, as well as the software to analyse CCTV data, virtually in real time, such as passenger numbers, occupancy data, seating and AI-based events and aggression detection. As a result, traffic and vehicle situations can be planned and controlled more effectively. Furthermore, such systems also help to prevent vandalism, clarify incidents and improve passenger comfort and sense of security.

With these high-tech components, INIT Passenger Intelligence leverages the power of the data to make public transport more efficient, sustainable and safe.

The INIT Passenger Intelligence business unit comprises the subsidiaries, iris-GmbH (Berlin/Germany), iris Inc. (Atlanta/USA), iris intelligent sensing SASU (Montbonnot-Saint-Martin/France), iris Smart Technologies Srl (Verona/Italy), iris Asia-Pacific PTY LTD (Melbourne/Australia), Derovis GmbH (Berlin/Germany), DILAX lntelcom GmbH and its subsidiaries ((Berlin/Germany, France, UK, Switzerland, Spain, Canada, USA) and ViSenSys GmbH (Dortmund/Germany).

Segment forecasts for the 2026 financial year

INIT Integrated Systems

After a strong performance in the 2025 financial year, the Managing Board expects to see further growth for the Integrated Systems segment for the year 2026. This will be primarily driven by the two mega projects, iBus NextGen for TfL, London, and MARTA, Atlanta. The MARTA project is expected to make up for the short delays to the project during the preparations for the World Soccer Cup in 2026 in the first six months and provide the customer with trouble-free operation for this major event. As a result, the Managing Board expects to collect revenue of between **EUR 280 - 300m** for the 2026 financial year. In light of its established business model, the Managing Board expects the segment to return EBIT of between **EUR 34 - 36m.**

INIT Cloud Solutions

To date, the business of the new Cloud Solutions segment has concentrated primarily on the German market and the wider German-speaking region, even if initial successes have also been achieved in the United States and other regions around the world. Due to the reticence of German customers to commit to discretionary investment spending, coupled with the higher selling expenses in the targeted regions, this concentration on the German market resulted in an unsatisfactory result in the 2025 financial year. Revenue is anticipated to rise to over **EUR 40m** in the 2026 financial year as a result of tapping more deeply into foreign markets, which implies that the break-even point will be quickly passed and the business brought back to its the level of its past earnings. The Managing Board forecasts earnings of **EUR 5 – 7m** from this segment.

INIT Passenger Intelligence

Demand for optical components and passenger counting systems remained stable in the 2025 financial year. At the same time, the result was burdened by integration costs and not insignificant losses from the DILAX Group that was acquired in the 2024 financial year. As the integration progresses and synergies within the new Passenger Intelligence segment are leveraged over time, with opportunities to strengthen AI components, we expect the segment to see revenue to keep growing to **EUR 90 – 100m.** Taking account of the substantial impairment loss recorded on goodwill, technologies and the customer base originating from the acquisition, the Managing Board views an EBIT target of between **EUR 7 and 9m** to be realistic.

Business Units

Revenue EUR m	Segment forecast Financial year 2026
INIT Integrated Systems	280 – 300
INIT Cloud Solutions	40 – 45
INIT Passenger Intelligence	90 – 100
EBIT EUR m	**Segment forecast Financial year 2026**
INIT Integrated Systems	34 – 36
INIT Cloud Solutions	5 – 7
INIT Passenger Intelligence	7 – 9

Opportunities

Technological progress is a key driver of economic growth. However, it can only be attained when sufficient funding is made available for new developments. Investments in sustainable growth, especially in digital transformation and more rapid uptake of AI, both of which are key elements of init's business model, are therefore an opportunity for the global economy as a whole, but also for individual countries.

The transport sector, and public transport in particular, occupies a prominent position in this regard. Public transport systems are undergoing epochal changes, such as the technological transformation towards greater digitisation to make them fit for future challenges and do justice to their significance in combatting climate change. This extends to using artificial intelligence to make operations more efficient and to manage passenger flows better as well as offer more personalised services. In addition, the integration of digital payment systems that simplify ticket purchases and make them more flexible are becoming more important, especially in view of major international projects and events, such as the World Soccer Cup in the United States in 2026, for which init is also realising a reference project that is attracting a lot of recognition. In this connection, the networking of various modes of transport (multi-modality) is being driven forward to enable seamless mobility across all public transport domains. This involves the use of apps and platforms that combine multiple transport offerings to ease switching between vehicles and routes.

In all of these fields, init counts among the relevant providers of the needed technology. As a result, additional growth potential exists for the company from the necessary public investments and the political calls for their acceleration.

Due to the fact that public transport is repeatedly placed at the centre of national climate mitigation strategies, the infrastructure and vehicle fleets need to be made more future viable, for example, by introducing intelligent devices at stops, and AI-optimised control systems, expanding the charging infrastructure and introducing autonomous vehicles. This drives the growing complexity in daily operations and, at the same time, demands higher cyber security standards and systems resilience. This is not just a technical issue, but also a core responsibility for the continuity of service and passenger safety. For this reason, cyber defence is also a main item of init's service offering. Faults and disruptions can be caused by a number of events, such as extreme weather events, security threats and power outages, in addition to cyber-threats. The new technologies, such as the solutions presented by init at the IT Trans 2026 trade fair, improve safety in public transport by improving monitoring standards, relying on automated systems and making differentiated contingency plans.

Public transport plays a key role in the Nationally Determined Contributions (NDCs). This is resulting in high demand for intelligent infrastructure, such the integrated planning, deployment, telematics and ticketing solutions for trains and buses, as offered by init as one of the technology leaders in the field. If an increasing number of countries move on to providing clear financing strategies to realise their NDCs, this will open up additional market opportunities.

The European Union, for instance, has established a new European Competitiveness Fund to which EUR 409 billion has been allocated. Two of its four core elements are the decarbonisation of transport and digital transformation. In addition, the European Commission ratified the Sustainable Transport Investment Plan in November 2025, which provides a strategic roadmap to accelerate the transition to renewables energies in the transport sector. This plan should mobilise at least EUR 2.9b by the end of 2027 to promote renewable and low-emission transport technologies. The EU public transport funding also includes loans and financial instruments from the European Investment Bank, in addition to direct subsidies. For the year 2026, the EU is planning more extensive investments whereby the EU Commission is increasingly relying on the expansion and modernisation of transport networks. The exact sums available for public transport in 2026 have not yet been finally decided on. However, there is a clear trend towards continuous funding of sustainable mobility. This supports the EU mission of delivering 100+ "Climate Neutral and Smart Cities" in which 112 cities are on the path towards climate neutrality by 2030. These cities serve as experiment and innovation centres and receive support in obtaining public funding in return. To this end, the European Investment Bank is offering up to EUR 2b in loans.

Public transport also plays a decisive role in Germany's efforts to reach the climate goals. The public transport modernisation pact announced by the federal government takes pride of place in this context, although no specific measures have been agreed on yet. At present, the federal and state governments and municipal authorities fund public transport to the tune of approximately EUR 26 billion. In the year 2025 more than EUR 11.5b was allocated to the regionalisation fund from the tax revenue of the federal government to help finance public transport. The regionalisation fund is being raised by 3 per cent annually until 2031. In its latest climate protection programme, the federal government has also included another package of measures to expand public transport. For this purpose, funding guideline is being drawn up to promote buses with alternative drivetrains, regardless of their underlying technology. An amount of EUR 1.75b has been set aside for this directive. In addition, the federal government has committed to promoting model projects aimed at strengthening public transport, for which an amount of approximately EUR 320m has been budgeted.

The federal states are also set to receive EUR 2b in federal funding via the GVFG to directly fund the modernisation of the public transport at municipality level. This fund appreciates by 1.8 per cent p.a., with the VDV making an appeal for more rapid growth. A study conducted for the UBA has revealed that financing requirements need to be set higher if the climate goals are to be reached in the transport sector. In sum, an additional EUR 91.6b will be needed by 2045. In the opinion of the UBA, an infrastructure fund could provide additional assistance when it comes to funding the required investment in public transport infrastructure. If the federal government responds and enacts a programme to close this funding deficit within the public transport modernisation pact, this could generate significant growth stimulus for the business of init.

Ticketing projects such as the nationwide Deutschland-Ticket are a game-changer in the development of public transport and new mobility solutions (“Mobility as a Service”) are becoming increasingly recognised worldwide. The largest project of this kind for init worldwide is being realised in the United States for the World Cup in Atlanta in 2026. The Metropolitan Atlanta Rapid Transit Authority (MARTA) has chosen a smart ticketing solution from INIT Inc., the U.S. subsidiary of init, which adds a new service dimension for its passengers. The modern AFC 2.0-System (Automated Fare Collection) ordered by MARTA combines ticketing and contactless payment for all of its buses, trains and trams in the Atlanta metropolitan region. In future, any of its approximately 500,000 daily passengers will be able to use a simple “tap and go” service at any stop or in any vehicle operated by MARTA (or its partners) to purchase their fare using their mobile device, credit card or customer card via contactless payment. On account of the 2026 World Cup, the MARTA project is an important flagship project due to the associated global attention. The number of tenders of a comparable volume remains at a constantly high level and, if won, init could experience even more rapid growth.

Ticketing is also an element of the innovations that the U.S. government has promoted under its Infrastructure Investment and Jobs Act that has assigned a volume of USD 108b to the development of public transport until the end of 2026. After passing this historical bipartisan act to improve domestic infrastructure, more than 40 programmes were initiated, which culminated in tens of thousands of individual projects. These programmes and funds are flowing into the expansion of railway and bus networks as well as innovative technologies in order to make public transport more attractive and environmentally friendly. The U.S. budget for 2026 provides for an increase in the funding of public transport by approximately 1.5 per cent, a moderate increase, to maintain existing systems and expand them. A significant portion of the investments is being funnelled into programmes such as “Infrastructure for Rebuilding America”, which is aimed at expanding and modernising transport infrastructure. The focus lies on digitalising and modernising transport systems to raise efficiency and improve safety. Furthermore, a number of major public transport projects are planned for 2026. For example, approximately 13 significant public transit projects were opened in the United States in 2026. These projects extend across various regions and consist mostly of Bus Rapid Transit (BRT) and railway projects. Taken together, these projects will expand the public transport system and facilitate the transition to more environmentally friendly modes of transport. In addition, the number of regional funding programmes for public transport in the United States continues to rise. Specific examples include the “Capital Plan” of the Metropolitan Transportation Authority (MTA) in New York or the “Transportation Capital Program FY 2026” in New Jersey, which have volumes ranging into the billions. As an established provider of intelligent infrastructure that can look back on decades of experience demonstrated by numerous reference projects it won in competitive bidding proceedings, init starts at the front of the pack, a position from which it can expect to win additional customers and orders.

These developments are part of a wider trend in North America to open new transit lines in the United States, but also Canada and Mexico, with the aim of making mobility more sustainable. Canada has also earmarked additional billion-dollar sums for investments in public transport systems. The three largest transport systems of Canada require major capital spending to master the challenges of modernising their infrastructure. The regional plan of TransLink Vancouver, one of init’s long-standing customers, involves total investment requirements of more than CAD 21b for next ten years in order to double bus traffic, expand the Bus Rapid Transit network and complete its digital infrastructure. This could open up new business potential for init.

Based on its status as an internationally recognised technology partner to the public transport sector, there are growing opportunities for init in comparatively new, highly developed markets whose potential has not yet been fully exploited. France is the best example. After already winning a highly recognised contract to install its new systems solution, MOBILE-ITCS nextGen, in the French Euro-metropole of Strasbourg, init won another major contract for Grenoble at the end of 2025. In the coming years, init will install a new public transport control system, provide the IT infrastructure in the vehicles and modernise the operating control centres, adding new functionalities, and also provide maintenance and service for a period of ten years. The corresponding master agreement and associated knock-on effect this will have on the French market means that France is moving into focus as a strategic growth market for init, which could generate additional business stimulus. The ATP public transport administration in Luxembourg, goes a further step in expanding its service portfolio and outsourcing its services. init has taken on the task of overhauling and modernising the countrywide telematics system (GloTel). This includes the migration of the existing intermodal transport control system to the next generation MOBILE ITCS nextGen solution from init as well as providing the hardware for 1,700 buses along with operation and maintenance support for five years. The joint project with ATP counts as one of the lighthouse projects for European public transport, not only because of the size of the fleet but also because of the wide range of services provided.

Projects such as Grenoble and Luxembourg are examples of the discernible trend towards transport operators fully outsourcing their services and processes to gain headroom and simultaneously concentrate on their core competencies. At the request of its customers, init is increasingly taking on such tasks as IT hosting, tariff data administration, vehicle maintenance and the operation of cloud solutions in its projects. It also offers cybersecurity solutions, such as data security applications, to assist its customers. This optional support is included in various service offerings for monitoring, maintenance, system management and IT, change management and administration. Numerous transport operators around the world benefit from the operating services provided by init. This could open up additional growth opportunities in the medium term.

Linking different transport systems on one platform is another international market trend. init counts among the pacesetters in this field. For example, Helsinki Regional Transport Authority (HSL) contracted init to deliver a modern onboard system for its entire fleet, consisting of container-based software, vehicle hardware and services. The new solution is being used in approximately 1,700 buses, trams, light rail, trains and ferries and creates a single uniform platform for vehicle operation that is fit for the future. Due to its use of container technology, init is rigorously driving forward the technological development of open, modular technology platforms that provide a flexible and scalable IT solution that can be maintained for the long term and integrated in an existing systems landscape at limited cost. This results in a uniform, flexible and future-viable platform across all transport operators that can be rapidly updated and expanded without affecting daily operations for passengers. This could be a blueprint for other transport operators all over the world.

There are also sustained initiatives in regions such as Oceania to expand the public transport network. For instance, Australia is investing more heavily in its transport infrastructure accompanied by investment programmes of individual federal states, which are also providing billion-dollar sums. New South Wales (NSW), for example, has set up the "Transport for NSW Corporate Plan" and is pursuing major infrastructure projects, such as the construction of a metro line to service the new Western Sydney International Airport. New Zealand has also set up a number of public transport initiatives at both national and regional level. At national level, the 2025/26 government budget has set aside extensive funding of NZD 32.9b for the National Land Transport Programme (NLTP). Furthermore, the New Zealand Upgrade Programme has budgeted NZD 6.8b for the improvement of urban mobility, traffic safety and productivity. From a regional perspective, development plans such as the Otago Regional Public Transport Plan 2025-2035, which sets the focus of the public transport investment strategy in the Otago region for the next ten years. Particular focus has been placed on the modernisation and expansion of public transport infrastructure. Moreover, the "Future Connect" project pursues the goal of developing an integrated and future viable public transport network. Auckland Transport has also approved an investment programme of NZD 1.352b that is targeted at improving and expanding public transport. If these programmes are realised as planned, there will be additional potential for init as we have already installed a ticketing system in nine regions of New Zealand.

Other opportunities to generate earnings and revenue potential could arise from the reorganisation of init's business into three business units – Integrated Systems, Cloud Solutions, Passenger Intelligence – a decision that became effective on 1 January 2026 and is aimed at increasing business value. The increasing complexity of the demands placed on public transport operators, due to such factors as climate change and decarbonisation, the electrification of vehicle fleets, budget uncertainties, rising passenger expectations and cybersecurity, are resulting in a change in the pattern of contracts put out to tender and demand. By breaking down the organisation into three business units it will be possible to implement successful strategies more rapidly, bundle the strengths of individual units and together have a greater impact.

Risks

init, as an international technology-oriented company, is faced with a number of risks that could affect its assets, financial position and operational results. A risk is understood to be the occurrence of an event that can have a negative impact on reaching the set targets. Risks can be strategic, operative, financial or legal.

Risk management

Risk management is the systematic and ongoing identification and evaluation of risks and the control and monitoring of the risks that have been determined. The legal basis for the establishment of a risk management system is laid out in Section 91 (2) AktG. Risk management at init is based on the ISO 31000 industrial standard.

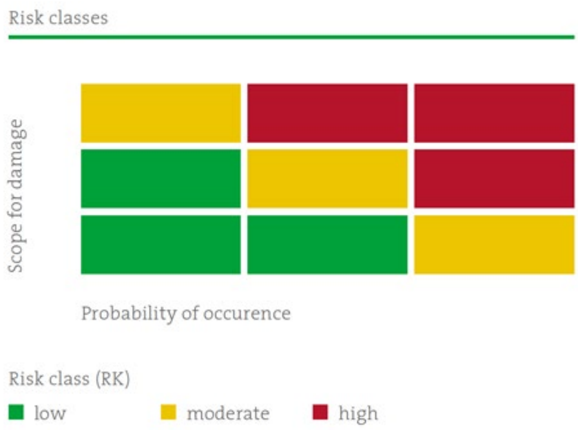
The aim of a risk management system (RMS) is not to avoid all risks but to manage identified risks. After all, risks must be entered into to realise plans and take advantage of the resulting opportunities. It is a matter of weighing up these risks.

The risk management system assesses individual risks in the areas of business planning, sales and distribution, procurement, human resources, project management, IT, finance and legal risks. In cooperation with the risk manager, the risk owners review the risks in their sphere of responsibility each quarter. In the course of this assessment, the risk position is reviewed to determine whether it is complete and up to date. Suitable mitigation measures that are also economically viable need to be defined for each risk.

All risks are assigned a probability and a potential exposure (gross perspective) and assessed on a net basis after considering risk mitigation measures. Such measures can affect the probability and/or the exposure. The (net risk) assessment is presented by the risk level: low, medium or high. The period covered by this analysis is set at one year.

	Probability (%)	Exposure (EURm)
low	0 < probability ≤ 33	< 0.5
medium	33 < probability ≤ 66	0.5 to 3
high	66 < probability ≤ 100	> 3

Based on these parameters, a matrix with nine fields results, allowing the risk categories to be identified. The high risk category stands for critical risks that could have a significant impact on the results (primarily EBIT) due to the probability of occurrence and the exposure at risk. The results are reported to the Managing Board on a quarterly basis. Ad hoc risks are reported immediately.



The following section presents the risks (medium and high risk categories) which could have a significant impact on the risk position of the init group and any changes in the risk category compared to the previous year. In addition, the full list of risks for each division is presented in table form. The existence of as yet unknown risks or the potential of risks that are considered negligible today to also impact the risk position cannot be fully ruled out.

Business planning risks

In contrast to the previous year and as part of the business planning, the generic ESG risks, which were formerly treated as one, were revised and adjusted to analyse the associated sustainability activities in terms of their identified impacts, risks and opportunities (IROs). A brief description of the risks follows:

Risk category	Probability	Exposure	Risk category
Risk of building up new markets / business formations or integration risks	low	medium	low
Risks of fraud	low	high	medium
Loss of expertise specific to init	low	medium	low
Development and project risks	low	high	medium
ESRS E1 Climate change / climate protection	low	high	medium
ESRS S1 working conditions / work environment	low	medium	low
ESRS G1 Business conduct	low	high	medium
ESRS Company-specific information	low	high	medium

Risk of fraud (risk category: medium / no change on the previous year)

Irregularities within the company such as embezzlement, misrepresentation or fraud can result in financial, operative or legal losses and a loss of reputation. To mitigate this risk, init has set up preventive measures (including the principle of dual control, ethical guidelines and associated training) as well as detective measures (such as audits, whistleblower system). The risk assessment has not changed on the previous year.

Development and project risks (risk category: medium / no change on the previous year)

The development of existing products and the early development of new innovative products, also within the framework of customer-specific requirements and projects, are key success factors for init. In the course of developing technically sophisticated systems, there is a risk of mistakes being made in development or during project activities, including the risk of errors in costing. init counters these risks in the course of its project management (by monitoring resources and budgets, for instance) and development activities (by setting up development guidelines, obtaining certification, etc.). The risk assessment has not changed on the previous year.

ESRS E1 Climate change / climate protection – impact of uncertainties on e-mobility (risk category: medium)

Uncertainties concerning financing issues (e.g. the terms and conditions for subsidies), regulatory uncertainties (e.g. emission goals), technological uncertainties (e.g. vehicle range), infrastructure deficits (e.g. charging and network infrastructure), market risks and customer acceptance (e.g. delayed investment decisions), supply chain and commodity risks (e.g. for batteries) and production bottlenecks at OEMs, could result in delays in transport operators making the transition from traditional ICE powertrains to electric powertrains. There is a risk that such conversion projects will be postponed or scaled back, resulting in the expected sales and revenue not being realised, or only in part or at some delay. init has assessed this as a “medium” risk.

ESRS S1 Working conditions / work environment – lack of employee loyalty endangers the success of the business (risk category: low)

A lack of employee loyalty can affect sustainable business success. A low level of employee satisfaction or employee identification with the business can result in employee churn and the loss of key personnel due to resignations, illness or a lack of clarity in processes. This could lead to a shortage of staff, higher recruiting and onboarding costs as well as project delays. To reduce this risk, init relies on targeted measures to foster employee satisfaction and loyalty, such as regular feedback and employee surveys, attractive and fair working conditions, flexible working hours, remote working possibilities, investments in personal development and training, healthcare and a better work-life balance.

ESRS G1 Business conduct – corruption and bribery (risk category: medium)

Individual misconduct by employees or business partners can result in a significant loss of reputation. Corruption and bribery is an inherent risk that, in an extreme case, extends beyond just legal and economic consequences. For example, it may result in blacklisting which would prevent the organisation from participating in tenders and erode the foundation of the business. To mitigate this risk, init relies on extensive compliance and integrity management, which includes a binding code of conduct. In addition, employees undergo regular training and awareness-raising measures. Moreover, clear approval and control processes have been established and reporting channels provided for any breaches (e.g. whistleblower system) These measures are aimed at identifying, avoiding and limiting the risks of corruption and bribery at an early stage. In the most extreme case, this risk could entail a very high loss. However, this scenario is very improbable.

ESRS Company-specific information – loss of reputation due to a loss of data or data breach (customers) (risk category: medium)

There is the risk of a loss of reputation due to a potential loss of customer data or a data breach. init processes consumer and customer data solely as a contract processor within the framework of the agreed service performance. Data sovereignty and responsibility for the use and protection of personal data remains with the respective customer. Nevertheless, there may be a loss of reputation in the case of a loss of data or a data breach at the customer, e.g. due to a data leak, as the company might be seen as being connected to the incident in the eyes of the public. To reduce this risk, the Company relies on technical and organisational procedures to ensure information security. These procedures include an established information management system and ISO27001 certification.

Sales risks

There have not been any significant changes to the sales risks in comparison to the previous year.

Risk category	Probability	Exposure	Risk category
Risk of dependence on individual customers – delivery of goods business	low	high	medium
Risk of dependence on individual customers – maintenance and support business	low	medium	low
Loss of tenders due to technological or commercial reasons	medium	medium	medium
Failure to recognise market developments and trends	low	low	low
Risk of new market entrants	low	medium	low
Price erosion in sales markets	low	high	medium
Risk of hosting services / operating obligations	low	medium	low

Risk of dependence on individual customers – delivery of goods business (risk category: medium, no change on the previous year)

Due to the peculiarities of the public transport market (including the limited number of high-volume customers), the loss of existing customers could result in a loss of business for the business of delivering goods (loss of follow-up orders and replacements) and impact on results. The loss of customers can also be due to insolvency, a loss to competitors or economic crises. This risk is countered by conducting extensive sales activities, tapping into new sales potential and expanding the portfolio of goods and services. Due to the increase in transactions from growth in business and the trend towards larger projects (including public transport operators bundling their activities into purchase associations) means that the exposure to losing individual customers has risen. The risk category has therefore not changed on the previous year.

Risk of losing tenders (risk category: medium, no change on the previous year)

The trend towards ever larger and more complex tenders for projects in the public transport sector has not changed on the previous year. Public transport operators are increasingly bundling their sourcing activities into purchasing associations and outsourcing services to third party providers. In spite of the large size of the contracts and the size of a potential loss if a tender is lost (e.g. due to higher selling expenses), the risk assessment has not changed on the previous year, also because the ratio of wins to losses has improved slightly.

Price erosion on sales markets (risk category: medium / no change on the previous year)

The general rise in price levels has led to higher prices in both the buy-side and in the sell-side markets. As long as both markets move in harmony, there is no elevated exposure to sales markets. However, a rise in prices on the buy-side with a simultaneous erosion in prices for init products on the sell-side would be critical. Day-to-day monitoring of purchase costs, analyses of the results of the tenders submitted and validation of new markets and sales opportunities help init to control and mitigate the risk and potential exposure. The previous years have shown that the purchase market and sales market are structurally in sync and that customers generally accept price rises in negotiations. This risk has not changed on the previous year. The risk category remains at “medium”.

Procurement and logistics risks

Due to the current geopolitical, economic and trading uncertainties sweeping the supply-side markets, the risk of fluctuating prices and cost volatility has risen for procurements and logistics in comparison to the previous year.

Risk category	Probability	Exposure	Risk category
Buy-side price and cost volatility	medium	high	high
Dependence on individual (A) suppliers	low	low	low
Termination of assemblies / components	high	medium	high
Inventory losses due to changing regulations and standards	low	low	low
Quality risks (defective goods)	low	low	low

Buy-side price and cost volatility (risk category: high / previous year: medium)

Price and cost volatility on the supply-side markets arises from a number of factors, such as a shortage of materials, supply constraints for various raw materials and sustained geopolitical and economic uncertainties (e.g. the war in Ukraine, tension between China and Taiwan). In addition, trading policies can affect imports and the rise in U.S. tariffs and the associated rise in import/export cots and restricted availability can affect price and cost structures on the market. Moreover, for some assemblies there is a discernible trend towards higher costs. init counters these risks by concluding master agreements, maintaining inventories well in advance, and managing product obsolescence. Maintaining our own production capacity in the United States could help to compensate (at least partly) any cost increases. Generally, the current on the buy-side markets is much tighter than recent years. For this reason, the risk category is currently assessed as “high”.

Risk of assemblies/components being phased out (risk category: high, no change on the previous year)

In recent years, there has been a noticeable upturn in the frequency of terminated assemblies and components and a change in the period of notice given. Likewise, there is a discernible trend towards shorter product life cycles. This risk has become manifest in that manufacturers and suppliers seek (or are able) to enter into new deals at higher prices with shorter-term contractual obligations. In many cases, terminated assemblies and components can be substituted at relatively low cost (purchases of replacements and swapped out). However, substantial costs can be incurred when a termination necessitates a redesign or a new product development. Despite extensive countermeasures (including stockpiling and obsolescence management) this risk is not to be underestimated. Consequently, the risk continues to be assessed as “high” as in the previous year.

Human resources risks

There have not been any significant changes to personnel-related risks in comparison to the previous year.

Risk category	Probability	Exposure	Risk category
Fluctuations in personnel expenses	low	high	medium
Risks from the loss of key personnel	low	low	low
Risks of illness / Sickness-related absenteeism	low	low	low
Lack of applicants/skilled labour	low	medium	low
Changes at upper and middle management level	low	low	low
Risk arising from company pension plans	low	low	low

Fluctuating labour costs (risk category: medium / no change on the previous year)

Generally, personnel expenses are exposed to a higher or lower degree of volatility due to changes in statutory social security, changes in the contributions to sick pay, maternity or paternity leave, insolvency protection, sickness-related absenteeism or other collectively-bargained or voluntary benefits. In particular, high inflation and prices risks increase the risk of rising personnel expenses. Although there is a gradual trend towards stabilisation, there are still uncertainties regarding the development of personnel expenses, such as extensive negotiations with trade unions (in sectors with comparable employee profiles), higher costs for medical treatment and a relatively high level of sickness-related absenteeism. For this reason, the risk category remains at “medium”.

Project risks

Risks from current projects with a contract volume of more than EUR 2.5 m

Project management is a key success factor for the init group. For each major project, init implements a project plan for constant progress monitoring. Project risks are analysed regularly by the controlling department in cooperation with the project lead and project contact persons. The projects are analysed in terms of financial aspects as well as in terms of suppliers, development, contract and other significant risks to initiate corresponding countermeasures. Costings, order situation and project progress are regularly examined using budget variance analysis. Project risks are standardised and considered in the group-wide risk inventory. At present, three projects are graded “medium” risk.

IT risks

Risks relating to information technology are assessed as part of the risk management process and ISO27001 certification. The risk of data loss/manipulation due to unauthorised access via remote maintenance and malware has fallen in comparison to the previous year and a new risk has been identified in the form of the "risk of software development (use of proprietary software and tools)". Due to formal changes, the "risk of unauthorised access due to defective or out-of-date records in authorisation systems" no longer applies.

Risk category	Probability	Exposure	Risk category
Risk of data loss/manipulation due to unauthorised network access	low	high	medium
Risk of data loss/manipulation due to unauthorised access via remote maintenance and malware	low	medium	low
Risk of employees being manipulated by cyber-attacks (phishing/social engineering/malware)	medium	medium	medium
Risk of data loss/manipulation due to unauthorised access via patch and change management systems/software	medium	medium	medium
Risk of unauthorised access to sensitive data due to defective or out-of-date records in authorisation systems	low	medium	low
Personnel-related IT risks (loss of resources; breach of compliance)	low	medium	low
Risks in software development (use of proprietary software and tools)	low	medium	low

Risk of data loss/manipulation due to unauthorised network access (risk category: medium, no change on the previous year)

In light of the growing risk of cybercrime, there is an elevated risk of a security incident leading to the disclosure, loss and manipulation of data via unauthorised access to the infrastructure used, such as networks and network connections as well as communication channels, such as data transfer via email or websites. init has implemented extensive technical and organisational measures, including cryptographic measures, technical security measures for network services, the use of secure data transmission methods, contingency measures for IT business continuity and other measures to raise awareness.

Risk of data loss/manipulation due to unauthorised access via remote maintenance and malware (risk category: low / previous year: high)

The use of remote maintenance tools and software that is installed for maintenance, analytical or integration purposes also poses a potential point of access for unauthorised third parties and bears the risk that sensitive customer data may be revealed or that data, configurations and system parameters may be manipulated. This can damage the confidentiality, integrity and availability of customer data or breach contractual obligations and compliance requirements. It may also lead to a loss of reputation and regulatory sanctions. The implementation of measures, such as authentication procedures, restrictive access or monitoring can mitigate this risk. As a result of the further development of appropriate measures, the risk has improved significantly compared with the previous year.

Risk of employees being manipulated by cyberattacks (risk category: medium no change on the previous year)

The threat of a cyberattack via phishing or malware has continued to rise. There is a risk that employees are called upon to act or disclose confidential information/business secrets, resulting in losses for init. The increasing use of AI to make credible forgeries of email correspondence through to the simulation of telephone calls ("deep fakes") in combination with social engineering is a significant risk in the field of information security. init counters this risk by raising employee awareness using regular training and awareness tests and improving network security and making processes more robust (e.g. changing payment-related data). Nevertheless, the risk continues to be assigned to the medium-risk category.

Risk of data loss/manipulation due to unauthorised access via patch and change management systems/software (risk category: medium, no change on the previous year)

Security updates are being more frequently released in the case of high common vulnerability scoring system (CCVS) scores which necessitate immediate action by IT and user-administrators. Testing of security updates and updating the affected systems is ensured by means of monitoring and setting up the corresponding processes. Zero day exploits, which become known but for which no patch is available, are another critical item. Systems are modified and updated based on clearly defined change management procedures to ensure their functionality and secure configuration. There were no changes in the risk assessment and risk category on the previous year.

Risks in software development (risk category: low)

Risks in software development (due to the use of proprietary software and tools) arises from the use of external libraries and software and becomes manifest, for example, in license terms and conditions, security loopholes, a discontinuation of development or limited availability on the part of the software provider. A lack of transparency about the components used can lead to compliance risks, security risks or operating risks. Likewise, the use of open source code represents a risk, especially in the case of insufficient documentation, missing versions or access rules and confusion about ownership rights. Measures used to mitigate these risks include development and documentation standards, code reviews, approval, testing and monitoring processes, security updates, access management, and a structured process to identify and address weaknesses.

Financial risks

In the field of financial risks, the risk attached to long-term loans no longer applies as the remaining contracts all exhibit stable conditions and are not subject to any fluctuation.

Risk category	Probability	Exposure	Risk category
Interest and liquidity risk for short-term euro loans	high	low	medium
Bad debts	low	low	low
Currency risks	medium	low	low
Tax risks	low	medium	low
Liquidity risk due to stocking up inventories, financing projects in advance and past-due accounts	medium	low	low
Individual risk from a project contract (bond/guarantee)	low	high	medium

Interest and liquidity risks relating to short-term euro loans (risk category: medium, no change on the previous year)

A significant portion of the financing at init is obtained via short-term lines of credit. By improving working capital management and introducing a global cash pooling facility, it was possible to scale back the use of these lines in the 2025 financial year. In addition, the current inverse interest curves indicate that short-term interest rates can be expected to fall. Consequently, the interest risk arising from short-term floating rate loans does not have any material significance on the financial position, financial performance and cash flows. However, in sum, there has not been any change in the risk assessment in comparison to the previous year.

Specific risk from a project contract (bond/guarantee) (risk category: medium, no change on the previous year)

The project system business is a key success factor in the (local) public transport sector. In this business, it is customary for guarantees to be issued on the contractual performance obligations with (financial) indemnification clauses attached. With increasing project volume, these obligations represent a risk for init and a significant exposure. Although the probability is sufficiently low, init is obliged to include significant individual risks in its risk inventory so as to provide a full picture of the company's risk position.

Legal risks

At present, init SE and its subsidiaries only face a few legal disputes. In-house lawyers oversee these proceedings. init does not believe that the outcome of any proceedings currently pending will have any significant negative impact on its business activities. Adequate provisions have been established for the foreseeable costs. Nevertheless, asserted claims and legal disputes are naturally associated with uncertainty, which makes it difficult to reliably estimate their financial impact and which is why the current assessment may change at any time.

Risk category	Probability	Exposure	Risk category
Risks arising from U.S. and EU sanctions legislation	low	low	low
Legal risks associated with breaches of IP rights	low	medium	low
Compliance risks/implementation risks related to international data protection requirements and laws	low	low	low
Patent risks	low	low	low

The identified legal risks are deemed to be low on account of the measures taken. There was no change in the risk assessment in comparison to the previous year.

Capacity to bear risk

The risk bearing capacity describes the maximum loss that could be incurred without jeopardising the ability of the group to continue as a going concern. It represents the difference between risk-weighted assets and the total risk exposure based on the aggregated individual risk positions (risk inventory).

The risk bearing capacity is calculated within the init group as its equity plus the projected EBIT for the following twelve months. The total risk exposure is calculated using a Monte Carlo simulation using the net risk exposures as inputs and taking any significant interdependencies into account.

The results of this simulation do not indicate that there any going concern risks at init.

Internal Controls System

The Internal Controls System (ICS) is concerned with risks arising from operational processes in all areas of the company. The processes laid out in the quality management system (ISO9001) and the risk matrices of the subsidiaries create the foundation for this.

The ICS is conceived on the basis of the internationally recognised framework for internal control systems produced by the Committee of Sponsoring Organisations of the Treadway Commission (COSO Internal Control – Integrated Framework) and adapted on an ongoing basis.

The ICS involves analysing the individual processes in the companies on the basis of their risk level, identifying potential risks and assigning corresponding controls. The results are documented in a matrix and regularly updated. The results of this self-assessment are reviewed each year. The processes that are identified as requiring action are reported to the Managing Board and discussed in more detail. The Supervisory Board is informed about critical risks.

The legal basis for the establishment of an early warning system for the detection of risk and internal monitoring system is provided in Section 91 (2) AktG. The duty of the auditor to audit the suitability of the system as part of the audit of annual financial statements results from Section 317 (4) HGB.

Internal control and risk management system in relation to the financial reporting process of the group

The primary objective of init SE's internal accounting-related controls and risk management system is to ensure the compliance of the financial reporting, that is to make sure that the consolidated financial statements and combined management report comply with all relevant statutory rules and regulations.

The internal controls and risk management system pertaining to the financial reporting process is not defined by law. init understands internal controls and risk management to be a comprehensive system and follows the definitions provided by the IDW ["Institut der Wirtschaftsprüfer in Deutschland e.V.": Institute of Public Auditors in Germany] in Düsseldorf, Germany, on the internal control system pertaining to the financial reporting process and the risk management system. According to this definition, an internal controls system is understood to entail the principles, processes and measures introduced by the management of a company which are focused on the organisational implementation of decisions passed by the management to ensure:

- the efficiency and cost-effectiveness of operations (this includes the protection of assets including the prevention and identification of economic impairment),
- the appropriateness and reliability of the internal and external financial reporting
- compliance with the legislation applicable to the company

The risk management system comprises all organisational regulations and measures established to identify and handle risks relating to the business activities of the company.

The following structures and processes have been implemented in the group with regard to the financial reporting processes of our consolidated companies:

The Managing Board has overall responsibility for the internal controls and risk management system.

The financial reporting by init SE and its subsidiaries, which itself is based on the entries made in the various entities, forms the underlying data base for the preparation of the consolidated financial statements. The parent company in Karlsruhe, the subsidiary concerned or external regional accounting companies are responsible for compiling the financial information reported by the subsidiaries. In the case of subjects requiring special expertise, support from external providers is called on (for example to measure pension liabilities). The consolidated financial statements are then prepared on the basis of the information reported by the subsidiaries. The consolidated financial statements are prepared with the help of certified consolidation software. In addition, the necessary steps are subject to the principle of dual control.

The principles, the operational and organisational structure and the processes of the accounting-related internal control and risk management system are set out in a manual and in organisational instructions. These are reviewed and revised regularly in line with current external and internal developments.

With respect to the financial reporting processes of our consolidated companies and the group's financial reporting process, init considers features of the internal control and risk management system material which may significantly affect the group accounting and the overall view presented by the consolidated financial statements including the combined management report. These include the following elements in particular:

- Identification of key areas of risk and control relevant to the financial reporting process.
- Controls designed to monitor the financial reporting process and reporting on its results to the Managing Board in regular board meetings.
- Preventive control measures for the group's accounting and finance and in operating and performance-related corporate processes that generate material information for the preparation of the consolidated financial statements including the combined management report; this includes a separation of functions and predefined authorisation processes in relevant areas.
- Uniform accounting is primarily ensured through a group accounting manual.
- Accounting data is regularly spot checked for completeness and accuracy.
- The subsidiaries provide the parent company with monthly reports on their business development and submit monthly financial statements. Monthly reports are presented for ongoing projects as well. Major foreign companies in the group are visited once or twice a year. Particular focus is placed here on a discussion of special issues and an examination of these companies' figures and projects.
- Measures exist to ensure proper IT-based processing of accounting-related facts and figures.

Furthermore, the group has implemented a risk management system pertaining to the group financial reporting process that includes measures to identify and assess material risks as well as the corresponding risk-mitigating measures in order to ensure compliance of the consolidated financial statements.

Overall risk assessment

The overall risk situation of the init group is based on the respective risks in all risk categories. In addition to the risk categories described above, there are unforeseeable events that may disrupt production and business processes, such as political instability, pandemics, terror attacks or economic risks. For this reason, procedures and plans have been developed to ensure that business operations can resume, preventive measures have been established and, wherever possible, insurance has been obtained.

As one of the fundamental principles of entrepreneurial behaviour, init pays particular attention to ensuring that legal and ethical regulations are observed. In addition, the init group has a web-based whistleblower system that enables customers, employees, suppliers and third parties to report non-compliant conduct, particularly any violations of applicable laws. At the same time, ensuring that sensitive data is handled securely is a prerequisite for maintaining business relationships with customers and suppliers in a trusting, cooperative environment.

The risk position of the init group has not changed significantly on the previous year, neither in terms of the individual risks nor holistically.

At present no risks are discernible that could jeopardise the ability of the group to continue as a going concern if they occurred in isolation or repeatedly, or in combination with other risks. This is also shown by the results of simulating various different scenarios. However, the possibility of setbacks on the path towards sustained realisation of growth and profitability targets, cannot be fully excluded.

Based on the knowledge at hand, the risks described above do not hinder the init group from reaching its respective goals and planning targets. init is convinced that the established risk management system will enable risks within the company to be identified and addressed at an early stage. There is no reason to believe that the group is exposed to any going concern risks, neither individually nor in combination.

Assessment of the appropriateness and effectiveness of the RMS and ICS[1]

As described above, the risk management system (RMS) consists of the systematic and continuous identification and assessment of risks as well as the management and monitoring of the risks identified. It is a systematic method that is centrally steered and applied throughout the entire group.

The RMS, ICS and Compliance system work together as an integrated whole to monitor compliance with the laws and regulations. This involves analysing the individual processes in the companies, identifying potential risks and assigning corresponding controls. While the overall responsibility for the ICS, RMS and compliance lies with the Managing Board, local management bears responsibility for implementation and ensuring its appropriateness and effectiveness. As part of the early-warning system, the Managing Board and Corporate Directors of the various functions review the system, taking account of the group's risk structure, by means of spot-checks to verify its appropriateness and effectiveness.

In spite of these safeguards there are inherent limits, which means that the appropriateness and effectiveness of the RMS and ICS can never be conclusively assessed. Over the reporting year, however, the Managing Board has not become aware of any circumstances indicating that the RMS and ICS were not appropriate or effective in all material regards.

[1] The paragraph marked above contains information that lies outside of the mandatory disclosures required in the management report which is therefore outside of the audit scope ("other information").

REPORTING IN ACCORDANCE WITH SECTION 315A (1) HGB IN CONJUNCTION WITH SECTION 289A HGB

Information on shareholders' equity

init SE has a capital stock of EUR 10,040,000, divided into 10,040,000 no-par bearer shares with an imputed share in the capital stock of EUR 1 per share. The shares have been issued and are fully paid in. Please refer to Sections 118 et seq. AktG for information on the rights and obligations related to the shares,

Dr. Gottfried Greschner, Karlsruhe, directly or indirectly holds 3,471,000 shares in init SE. This is around 34.6 per cent of the capital stock. As of 31 December 2025, init holds 108,822 treasury shares (31 December 2024: 163,857 treasury shares).

Conditional capital

The annual shareholders' meeting on 19 May 2021 passed a resolution on the possibility of utilising contingent capital totalling EUR 5,000,000 (Conditional Capital 2021). The capital stock of the company may be increased by up to EUR 5,000,000 by issuing up to 5,000,000 new no-par bearer shares. The contingent capital increase serves solely to grant shares upon the exercise of warrants or conversion rights, or upon fulfilment of option or conversion obligations, to the holders of the warrants or convertible bonds in accordance with the authorisation issued by the annual shareholders' meeting on 19 May 2021.

The new shares will be issued at the option or conversion price (issuing price of the share) set pursuant to the authorisation of 19 May 2021 (2021 authorisation). The conditional capital increase will only be carried out provided the holders of warrants from bonds with warrants or convertible bonds issued or guaranteed by 18 May 2026 by the company or companies in which it directly or indirectly holds a majority interest pursuant to the authorisation of 19 May 2021 exercise their option or conversion rights or meet their corresponding option or conversion obligations or the company exercises its substitution right. The new shares will participate in the profit from the beginning of the financial year in which they are created; if legally permissible, and notwithstanding this and Section 60 (2) AktG, the Managing Board may determine the profit share of new shares, even for a financial year that has already ended, with the approval of the Supervisory Board.

The Managing Board is authorised to determine further details of the implementation of the conditional capital increase with the consent of the Supervisory Board. The company did not make use of this authorisation during the 2025 financial year.

The Supervisory Board is authorised to amend the articles of incorporation following full or partial utilisation of Contingent Capital 2021 or after the permitted authorisation has expired.

Authorised capital

By resolution of the annual shareholders' meeting of the company on 6 June 2024, the Managing Board is authorised, with the consent of the Supervisory Board, to increase the company's share capital by up to a total of 1,004,000.00 by issuing 1,004,000 new no-par value bearer shares (Authorised Capital 2024), on one or more occasions or in partial amounts, in the period up to 5 June 2029. Of this amount up to 1,004,000 no-par value shares can be issued without voting rights. Capital can be increased by cash contribution or contribution in kind.

The Managing Board is further authorised, with the consent of the Supervisory Board, to exclude the statutory subscription right of shareholders in particular in the following cases:

- for a capital increase in return for a cash contribution of up to a total of 10 per cent of the share capital carried on the date that this authorisation takes effect and also on the date it is exercised, provided that the issue price of the new shares is not significantly lower than the stock exchange price of shares of the same class and equipped with the same features that are already listed Any shares issued or sold during the term of this authorisation that exclude the subscription rights of existing shareholders, applying Section 186 (3) sentence 4 AktG directly or indirectly, must be considered when measuring the limit of 10 per cent of share capital.
- when it is necessary to service the rights of bearers and/or creditors of conversion bonds and/or option rights or to service the obligations of debtors of conversion and/or option obligations on instruments that the company or a group entity issued, entitling the parties concerned to a subscription right to new shares to the scope they are entitled to upon exercising their conversion/option rights or settling their conversion/option obligations.
- for fractional amounts resulting from the subscription ratio
- in order to tap into additional capital markets
- for a capital increase in the generally understood interests of the company by way of contribution in kind for the acquisition of companies, parts of companies or equity interests in companies or other assets (even if a purchase price component is paid out in cash in addition to shares) or in the context of company mergers or acquisitions
- to transfer up to 250,000 new shares to employees

The company did not make use of this authorisation during the 2025 financial year.

Reference is made to No. 6 of the notes on the line items of balance sheet contained in the financial statements for more disclosures on treasury shares in accordance with Sec. 160 (1) No. 2 AktG.

Statutory requirements and provisions of the articles of incorporation on the appointment and dismissal of members of the Managing Board and on amendments to the articles of incorporation

For the appointment and dismissal of members of the Managing Board, please refer to Sections 84, 85 of the German Stock Corporation Act (AktG). Amendments to the articles of incorporation are subject to the statutory provisions of Sections 133 and 179 AktG.

Authority of the Managing Board to issue and repurchase stock

Based on a resolution passed at the Shareholders’ Meeting of 22 May 2025, the company was authorised to purchase treasury shares within a period expiring on 21 May 2030.

GROUP SUSTAINABILITY REPORT[2]

of init innovation in traffic systems SE, Karlsruhe

[2] The Group Sustainability Report contains information that is not included in the management report and is not subject to audit by the auditor (other information)

General information

As one of the leading global providers of integrated planning, dispatching, telematics and ticketing solutions for public transport, the init innovation in traffic systems SE Group ("init group" or "init") aims to manage its business sustainably and act responsibly in all areas. The init group maintains regular contact with the stakeholders of its company – such as capital market participants, customers and employees – to collect and appropriately respond to expectations and any ideas and topics related to sustainability.

Since 1983 the init group has supported public transport operators with the task of making public transport more efficient and easier to use. The group develops, manufactures and operates tailored software and hardware solutions which support its customers with planning, managing and optimising their operating processes and ticketing. The products and services of the group are targeted towards improving the quality of the public transport offering, particularly in terms of punctuality, comfort, safety and shortening trip times. At the same time, they contribute towards making the operations of public transport operators more economic and simultaneously lowering their costs.

Efficient public transport which is reliable in times of crisis is also a decisive factor for social and economic cohesion. To keep systems properly functioning and prepare them for future challenges, products and services, like those developed, implemented, and in some cases operated, by the init group, are of vital importance. Millions of people worldwide use the transport offerings of init's customers on a daily basis. The group is aware of its social responsibility and aligns it activities towards the current and future needs of its customers and their passengers. The focus is being increasingly placed on the digital transformation and decarbonisation of vehicle fleets as well as the switch to low-emission vehicles and seamless integration in operating processes. Using products and systems that are specialised for this purpose, init intends to ensure a sustainable future and enable qualitative as well as quantitative growth within this sphere of responsibility.

With the aid of init products and services, public transport operators can do justice, not only to society's rising mobility needs, but also reduce harmful carbon emissions, scale back the burden on the environment and conserve resources.

Since the 2023 reporting year, the group has held a "Prime Rating" (ISS Corporate ESG) from ISS ESG, one of the world's leading rating agencies for sustainable operations. This rating is awarded to companies with an ESG performance above the sector-specific Prime threshold, which means that they fulfil ambitious absolute performance requirements.

ISS Corporate ESG / 24 August 2023

In addition, the Group was also independently evaluated by EcoVadis for the first time this reporting year. EcoVadis is one of the leading global providers of sustainability ratings. It evaluates the core ESG activities of organizations – environment, labour and human rights, ethics and sustainable procurement – promoting transparency, responsibility and continuous improvement all along the value chain. With a grading of "committed" init has displayed that sustainability is firmly anchored in its corporate philosophy. This result is also a recognition of the course that has been chosen and an incentive to remain committed to continuing along this path.

The United Nations 2030 Agenda with its 17 goals acts as a guideline for sustainable development. These serve the init group as orientation for its sustainability strategy. The 2030 Agenda was adopted by 193 heads of state and government at the summit in New York on 25 September 2015 and is viewed as a "global pact for the future", to which init also intends to make a contribution. As the executive body, the Managing Board must act in the best interests of the company and is obliged to raise its business value over the long term. init addresses its responsibilities by making a positive contribution to reaching the Sustainable Development Goals (SDGs), especially "climate action", "good health and well-being", "quality education", "gender equality", "industry innovation and infrastructure", "sustainable cities and communities" and "decent work for all and economic growth".

Basis of presentation (BP-1/BP-2)

Since 2017, the init group has been obliged to draw up and publish a corporate non-financial statement pursuant to the Non-Financial Reporting Directive [3] (NFRD) and Section 315b to 315c of the German Commercial Code (HGB) in conjunction with Sections 289c to 289e HGB. As part of the European Green Deal, the EU Commission released EU Directive 2022/2464, on 14 December 2022 better known as the Corporate Sustainability Reporting Directive (CSRD), which came into force on 5 January 2023.

Due to the fact that the EU Directive 2022/2464 (Corporate Sustainability Reporting Directive – CSRD) has not yet been transposed into national law in Germany, init has decided, with a view to future legal developments, to prepare the consolidated sustainability report in accordance with the requirements of the EU Directive 2022/2464 Corporate Sustainability Reporting Directive (CSRD), the requirements of Sections 315b to 315c of the German Commercial Code (HGB) for a non-financial group declaration and Article 8 of Regulation (EU) 2020/852 with full reference to the ESRS as the recognised reporting framework pursuant to Sections 315c (3) in conjunction with Section 289d HGB.

The following table presents the sustainability aspects of the init group and how they can be allocated to the German HGB/CSR-RUG sustainability framework and also the CSRD/ESRS framework of the EU:

HGB-sustainability aspects	Section of the report
Environmental topics	ESRS E1 Climate change
Employee topics	ESRS S1 Own workforce
Social topics	ESRS S1 Own workforce
Protection of human rights	ESRS S1 Own workforce
Anti- corruption and anti- bribery	Governance / ESRS G1 Governance

[3] Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups

Figure 1: Sustainability aspects in 2025 pursuant to Sections 289c and 315c HGB

This expanded the existing sustainability reporting requirements and integrated them in the combined management report. According to Article 29b CSRD, the European Sustainability Reporting Standards are a key element of an undertaking's reporting. The twelve standards have been drawn up by the European Financial Reporting Advisory Group (EFRAG) and were published by the EU Commission on 31 July 2023 in Delegated Act C/2023/5303. This first set comprises two cross-cutting standards and ten topical standards:

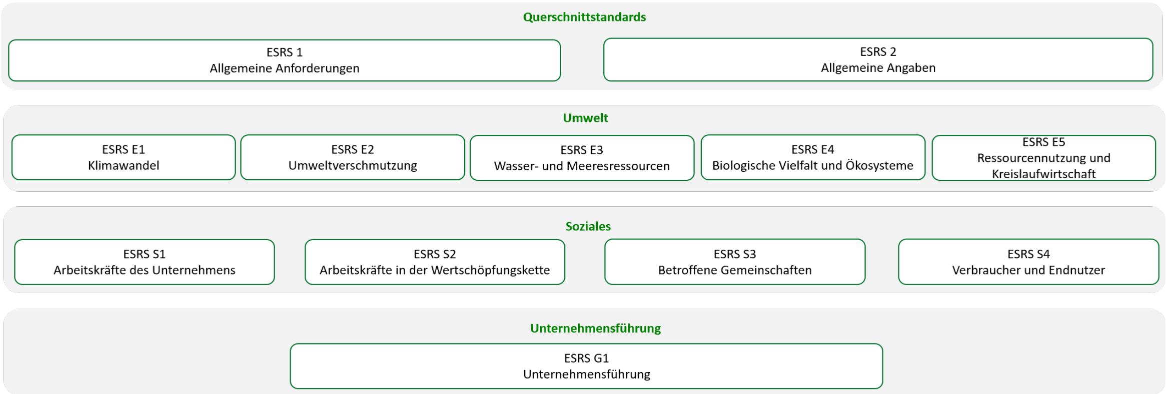


Figure 2: Summary of ESRS

Framework and data selection

The group sustainability report has been drawn up in accordance with the requirements of EU Directive 2022/2464 (CSRD), Sections 315b to 315c HGB for a corporate non-financial statement and Art. 8 of Regulation (EU) 2020/852 with full reference to the ESRS as the acknowledged reporting framework pursuant to Sections 315c (3) in conjunction with Section 289d HGB. As the ESRS have not yet been applied for an extended time period, there were uncertainties when drawing up the first report in 2024 concerning unresolved issues and the corresponding interpretations. This state of affairs continued into the year 2025. The company has considered all the information that was available as of 16 March 2026.

To determine the relevant scope of the report for the init group, a double materiality assessment (DMA) was conducted in accordance with ESRS 1 para. 21. This identified that the focus of the reporting lay in the categories of "Environment", "Social" and "Governance" and set the key data points for the group. This assessment helps the group set its priorities and ensure that its measures create long-term value for both the group and wider society.

The init group uses the Greenhouse Gas Protocol to present information on its greenhouse gas emissions. The related information is included in the section on the environment (environmental aspects).

The init group has decided not to exercise the exemption ("intellectual property") provided by ESRS 2 para. 5d in conjunction with ESRS 1 section 7.7.

The init group is governed by the ISO standards in various forms. For instance, init is certified in accordance with ISO-9001 (quality management)[4] and ISO-27001 (information security).[5]

Measurement bases and consolidation

The group fully applied the ESRS requirements to its group sustainability report that was included as a separate element of the 2024 group management report. The init group refers to the time horizons defined in ESRS 1, para. 77 as follows:

- short-term: the period adopted by the undertaking as the reporting period in its financial statements (1 year)
- medium-term: from the end of the short-term reporting period up to 5 years
- long-term: more than 5 years.

The measurement bases conform to the applicable standards. Details can be found in the related sections of the report.

Consolidation has been performed in accordance with ESRS 1, para. 7.6 "Consolidated reporting and subsidiary exemption". Consolidation is based on the operative ability to steer ESG management and sustainability reporting. In conclusion, the consolidated group used for the group sustainability report also for the year 2025 corresponds to the consolidated group used for financial reporting pursuant to IFRS 10, as there is no influence over the operations of non-consolidated entities in which the group holds a stake. Reference to the value chain is made in the section on the general disclosures relating to the activities of the init group (SBM-1). Changes in the consolidated group compared to the previous year mainly originate from the acquisition of ViSenSys GmbH and Inmodal Pty Ltd. Their inclusion corresponds to the date on which they were consolidated for the first time.

The quantitative data is generally consolidated by aggregating the individual reports. Intercompany transactions are eliminated, where this constitutes the proper treatment.

Individual elements along the value chain reported on within the framework of the sustainability report are based on management estimates. These estimates are based on sources or past experience or assumptions that are each considered to be appropriate. Although the reported figures are reviewed on a day-to-day basis, they generally consist of estimates, budgets and forecasts that cannot guarantee any degree of exactitude. For this reason, the figures should be understood as approximate, indicative or as a guideline and could diverge from the actual values later realised, despite the controls in place. Details are explained in the relevant sections of the report.

The measurement and reporting of sustainability indicators are based on a combination of direct measurements, calculations and estimates. init places great store on accuracy, transparency and the comparability of data in order to provide a reliable basis for its sustainability strategy.

Essentially, monetary measurements used in the context of the group sustainability report relate solely to the allocation of revenue to certain activities in the course of the taxonomy reporting. However, any forward-

[4] init SE, INIT GmbH, INIT Chesapeake, IMSS GmbH, CML GmbH, iris-GmbH, HanseCom GmbH und Derovis GmbH

[5] init SE, INIT GmbH, INIT Chesapeake und Seattle, INIT Ltd, IMSS GmbH, inola GmbH, HanseCom GmbH, iris-GmbH and Mattersoft Oy

looking statements about monetary amounts, if made, are subject to estimation uncertainty due to the exercise of business judgement.

In spite of applying a careful methodology and standardised methods, it cannot be ruled out that the calculated values contain errors in some areas. These primarily result from:

- the availability and quality of the data along the value chain, particularly for Scope 3 emissions
- different calculation methods and assumptions used to estimate certain sustainability indicators

In order to ensure the transparency and verifiability of the reporting, the init group discloses which sources, methods and assumptions are used in the calculation of the indicators in the ESG sections of the report.

General disclosures on the activities of the init group (SBM-1)

Value chain

In the wider sense, a value chain is the end-to-end succession of processes needed to meet (fundamental) end-user or consumer needs for services and products. Mobility is a fundamental consumer or end-user need that can be met by a wide range of modes of transport and services. One such mode is public transport. As it is both a supplier and an operator of planning, dispatch, telematics and ticketing solutions for the public transport sector, init operates in this value chain. In more specific terms, init focuses on providing an infrastructure for low-emission road and public transport using computer-based solutions and system support.

The specific section of the value chain addressed by init involves the development, production and market launch of products and services. In the process, init relies on both in-house activities as well as cooperation with external partners such as suppliers and customers. The customers of init are – directly or indirectly – public transport operators or public transport associations, particularly for urban, intercity or inter-regional transport (e.g. railways) and their public sponsors. Direct marketing to the final customer/consumer is not part of the business activities of init. However, the company regularly interacts with consumers due to the nature of its services, such as providing timetables.

Sometimes there is direct access to customers, in other cases access is via original equipment manufacturers (OEMs) or to downstream integrators and resellers. In addition to the electronic manufacturing services (EMS) outsourced to partners, significant suppliers mainly consist of IT companies and suppliers of electronic assemblies and components.

Using init's product offering, public transport operators can address the growing needs for mobility. These solutions could be an enabler for smart cities.

The key input to the value chain and business model of the init group is its expertise, that is bundled with its professionals, databases and development frameworks, as well as patents and intellectual property. The second key input is the purchase of components, most of all electronic components. init regularly creates its own intellectual property and registers it, where this makes sense, with the applicable authorities. When developing its intellectual property, init relies on its specialist staff, which it binds to the group using targeted personnel marketing and retention measures. With regard to its components, init has an extensive network of suppliers with which it regularly exchanges ideas on current and future requirements. init pursues a strategy of ensuring an ability to meet orders to a very high degree, sometimes at the cost of greater capital employed.

In the narrower sense, the value added by the init group consists mostly of the development and manufacture of system components (electronic hardware and software), storage and delivery of these items and their integration in complete system solutions for direct customers with ensuing support and operating them under contract. Hardware manufacturing is mainly outsourced to qualified producers (EMS) who work closely with the engineers at init. The required quality is assured by init staff assisting in each stage of the production process, from prototyping through to the test series and serial production. A summary of the value chain in the narrower sense can be found in figure 3.

The upstream and downstream elements of the value chain are relevant for an assessment of the value chain as a whole. However, they are only of indirect relevance for the value added by the init group and its business model. As the init group generally purchases prefabricated (standard) products, the purchase of raw materials is not a primary activity in the business model. At the same time, the init group works closely with all suppliers and encourages them to orient their activities towards the Ethical Guidelines of the group.

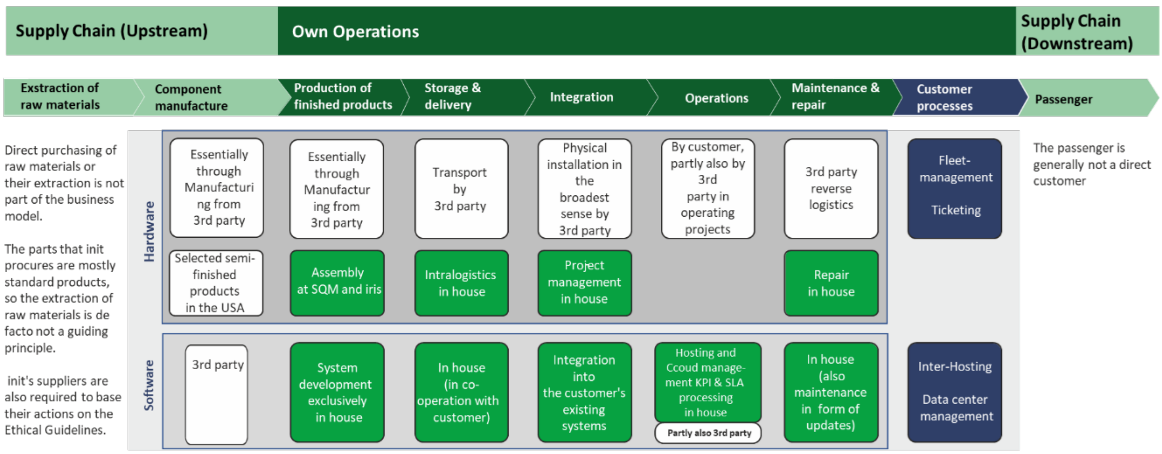


Figure 3: Value chain

Business model

With its integrated system solutions for planning, dispatch, telematics and ticketing systems, the init group is a partner to transport operators around the globe, in Europe, North America, the Middle East, Asia, Australia and New Zealand. init has successfully realised numerous projects for more than 1,400 public transport operators worldwide during a corporate history that spans more than 40 years. In addition to the systems project business, other customers are served with direct deliveries of products. To this end, init maintains a global network of subsidiaries that provide local support for projects and look after the needs of customers.

The typical businesses of the init group are the project business to install new systems and their later developments, the maintenance and operation of such systems, as well as the supply of system components, including hardware components. Of the group's revenue, 49.5 per cent was generated in the field of project business in the 2025 financial year, 19.7 per cent with maintenance and operation and approximately 30.8 per cent from the delivery of system components.

The annual average headcount of the group as a whole comes to 1,558, of whom 1,197 are in Germany. The most significant operating entities in Germany are based in Karlsruhe, Berlin and Hamburg. Their tasks include the development of software and hardware products as well as research, development, and the implementation of new technologies. Group headquarters are located in Karlsruhe and this is where corporate strategy is set.

Foreign subsidiaries generally act as distribution companies and service providers that market, install and maintain complex solutions from init. The biggest group companies outside Germany are in North America, with a total of 177 employees, Ireland with 31 employees, Austria with 33, Dubai (United Arab Emirates) with 22 employees, Portugal with 29 employees and the UK with 23 employees. The init group maintains production companies in America with a workforce of 32 employees, who manufacture products for the local market.

The most significant sales markets are Germany, which accounted for 29.0 per cent of revenue in 2025, the rest of Europe, which accounted for approximately 23.7 per cent, North America, which accounted for 39.7 per cent, and Australia, New Zealand and the Middle East, which accounted for 7.6 per cent. The regional distribution of revenue volume is heavily dependent on large-scale projects and varies accordingly from year to year.

There were no significant changes to the portfolio of goods and services over the course of the reporting period or the markets of the group.

Strategy

Major trends confronting public transport operators and other clients in the public transport sector which therefore heavily affect their business processes include: decarbonisation as part of the transition to sustainable mobility, urban drift, demographic change and pressure on public budgets to cut costs. init helps its customers master these trends by offering digitalisation solutions. Consequently, the strategy of init is strongly oriented towards sustainability aspects.

The objectives of the init stakeholders vary from group to group. However, init does not differentiate itself in terms of individual products and services, customer segments, geographic segments or stakeholders when pursuing its objectives. Rather, it stands for the above objectives globally. Due to the organisational structure and the fact that business processes are managed centrally, these objectives are defined for the group as a whole and rolled out accordingly, without making any great differentiation to account for the individual products, customer segments or regions. init makes a contribution towards reaching macroeconomic sustainability objectives in public transport. This is manifested by the goods and services of the group, which encourage a shift in transport towards modes of transport with lower emissions and optimising the same factors. To this end, init positions itself as a provider of integrated system solutions that are being constantly refined on the basis of an extensive understanding of customer processes in the public transport sector and distributed globally.

Significant effects are optimal use of existing resources and efficiency gains as well as better access for end-users / passengers due to more precise travel information and simpler transactions, especially when purchasing tickets.

The workforce benefits both directly and indirectly from init's strategy and its business model. In addition to measures to enhance its employer appeal, the social contributions of the company also play a role. As members of society, the workforce benefits from the transition to sustainable transport, which init actively supports by offering sustainable mobility solutions. The opportunity of working for a company that has a positive impact on the environment and society contributes to employee identification with the corporate objectives and employee satisfaction.

The interests of the workforce as a part of wider society, particularly in terms of greater access to a functioning and sustainable public transport network is reflected in the corporate strategy. These interests are incorporated in the corporate planning via short and long-term strategies and therefore help shape the business model.

In order to use existing resources and infrastructure more efficiently, the system solutions from init contribute towards better understanding of the availability of resources and their condition, and aids their planning and steering. As a result, a higher number of passenger-kilometres ("Pkm") can be attained with a given number of vehicles. As a result, fewer vehicles need to be purchased, thereby reducing the consumption of natural resources with corresponding savings in carbon emissions.

During production, init places great store on the longevity of the components. As a result, unnecessary maintenance work and the related need to transport components can be reduced to a minimum. In addition to this primary effect, tailored training can be derived from the results of data analysis to improve the driving styles of employees to make them more economic and also save energy. For example, this could take the form of training programmes for efficient driving behaviour, workshops on reducing idling time and unnecessary braking, or simulation exercises to optimise timetables and driving patterns. In addition, init helps customers convert their fleets to low-carbon or zero-emission vehicles by providing more efficient charging management for electric vehicles and continuous monitoring of vehicles in operation.

In addition to their impact on environmental aspects, init's planning and dispatch systems also optimise transport operators' use of human resources, which have become a critical resource due to demographic change and a shortage of skilled professionals. By registering their "ideal roster" in the system, employees can influence their work schedule yet simultaneously optimise the use of resources. This makes a substantial contribution to employee satisfaction and encourages employees to stay in the company. In addition to this specific example, various other solutions from init are targeted towards enhancing employee satisfaction in the public transport sector and the availability of personnel resources for driving vehicles and deployment.

In addition, the system solutions from init make a contribution, not just today but also in future, towards raising the appeal of public transport by optimising the offering, improving access to information and facilitating the interaction needed to determine the best possible or fairest price of a trip. The continuous and targeted implementation of the strategy that serves as a foundation for the business model of the group secures sustainable growth and enhances its long-term competitiveness. This benefits investors both today and in the future by generating stable income and attractive growth potential for the share. To this end, the group invests significant funds in developing and improving its products.

Based on an analysis of their occupancy rate data[6], transport operators can determine at which times and on which routes passenger traffic on their vehicles is particularly heavy or particularly light. This allows them to optimise the frequency of their services and, if necessary, to more effectively allocate vehicles to the respective routes. This applies to both regular (urban) operations as well as on-demand services, which allow improved connections, especially for rural areas. init therefore makes a contribution towards improving living conditions in municipalities while simultaneously optimising operating costs and the use of resources.

Optimisation of the transport services on offer is also supported by the solutions provided by the init group, which make operating information available to passengers via onboard displays or the corresponding web-

[6] Occupancy rates are understood as a measure of the use of transport.

based applications. The solutions also help passengers find the right connections when switching routes, thereby making public transport more accessible and more attractive. Likewise, the solutions from the init group enhance universal access for the disabled, for example, by providing physical displays in braille or with audio output at bus and train stops and in its customers' vehicles.

The solutions for contactless payment and account-based ticketing make paying a fare and validating it simpler for passengers. The open-loop process allows passengers to obtain the best ticket price once they have implemented the function. For example, if a passenger makes several trips on any one day, the system automatically calculates whether it would be cheaper to buy multiple one-way tickets or to buy a day pass. In this case, the passenger is charged the best price in arrears.

In sum, the strategy of init is oriented towards participating in and supporting sustainability trends. To this end, init continuously develops its system solutions using its own specialists (electronics and software engineers) supplementing them with partnerships or acquisitions of other companies, where it makes sense. The objective is to show customers the added-value of fully-integrated solutions in order to realise additional revenue potential with existing customers. Likewise, init is successively tapping into new regional markets and winning new customers and customer segments, such as railway operators. This partly occurs by means of organic growth and partly by acquiring other companies. As already referred to above, the manufacture of hardware products has been largely outsourced to EMS providers. However, init has also reacted to market demands, such as the call to "Buy America", and can flexibly adapt its make-or-buy decisions, for instance by bolstering its own production operations in the United States. The strategic framework is set by the Managing Board of the init group, which discusses the evolution of its strategy at the quarterly meetings with the Supervisory Board and obtains their approval for any strategically important decisions as laid out in its rules of procedure. Responsibility for realising the strategy in local markets and for individual products lies with the management of the (respective) subsidiaries of the group, which work closely together worldwide on a constant basis, particularly for major projects.

Determining the relevant content for the report

Double materiality assessment (DMA) (IRO-1/IRO-2)

The init group conducted its first CSRD/ESRS double materiality assessment in the summer of 2023, which serves as a basis for future assessments and is regularly evaluated. In contrast to CSR-RUG, such an assessment is based on the concept of double materiality. This means that materiality aspects are identified by taking into account the following two perspectives:

1. Impact materiality

2. Financial materiality

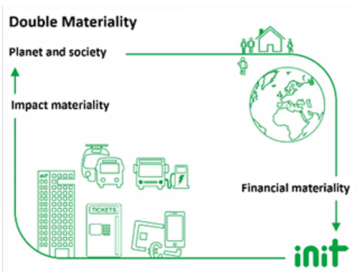


Figure 4: Double materiality

According to ESRS, impact materiality relates to positive and negative sustainability-related impacts that are connected to the undertaking's business activities and assessed via a materiality assessment (see ESRS 1, para. 14). A sustainability topic is material from an impact perspective if the undertaking is connected to actual or potential positive or negative impacts on people or the environment over the short, medium or long term. Impacts include those that the undertaking causes or contributes to and those directly connected to its own activities, products and services, as well as through its business relationships. Impacts especially include those connected with the undertaking's upstream and downstream value chain. These are not restricted to direct contractual relationships (see ESRS 1, para. 43).

Financial materiality relates to the case when a sustainability or environmental matter triggers risks or opportunities that could have a financial impact on init. Information or a sustainability matter is material from a financial perspective if it triggers or could reasonably be expected to trigger material financial effects on the undertaking. This is the case when a sustainability matter triggers risks or opportunities that have a material influence, or could reasonably be expected to have a material influence, on the undertaking's development, financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium- or long-term (see ESRS 1, para. 48).

If an impact, risk or opportunity, breaches the materiality thresholds of one of the two materiality perspectives, then it becomes subject to mandatory reporting. This can involve interdependencies between the two materiality perspectives. For example, a violation of the law could be relevant in terms of the compliance dimension of impact materiality but it may also have a financial impact if the corresponding fines or penalties are imposed.

init established the ESG reporting department in 2023 in order to address the great importance it places on treating people and the environment responsibly and with respect. This department reports directly to the CFO and is responsible for reporting on sustainability matters and the processes of sustainability management as well as complying with the related reporting requirements. The ESG department manages the identification and assessment of the ESG topics of relevance to the materiality assessment.

The approach taken to derive the DMA is based on the list of sustainability matters found in the application requirements of ESRS 1, AR 16. The analysis focussed on the specific circumstances of init, such as its organisational structure, business model and the relevant markets.

The business model of the group is clearly defined and focused. Various processes in the value chain of init, such as production, distribution, and service, are addressed by different units of the group or its subsidiaries. Due to the central management and focus of the business model, there is considerable transparency at init SE, the parent company, of all the processes within the group, also due to the use of uniform systems to map data across the entire group, for example.

The materiality assessment is therefore steered centrally by init in Karlsruhe. The directors and officers involved, including the directors of init SE, other managers and professional experts, all possess the necessary expertise to adequately consider the perspectives of the group's units. Where needed, their perspectives are complemented by coordinating internally with the line departments of the respective units of the group.

For the purposes of identifying, init carefully analysed the interaction between its impacts and dependencies on people and the environment. The same applies to the opportunities and risks related to sustainability matters. To this end, external sources, such as scientific papers as well as external experts and consultants, were also drawn on, in addition to the expertise found within the group.

This identification process resulted in a pool of data concerning priority sustainability topics that were examined in more detail during the course of workshops with internal experts and subsequently analysed and assessed.

A stakeholder interview was also conducted to further support the assessment. These interviews are all conducted digitally to ensure efficient participation regardless of location. This accelerates the analysis of the results, which considers the three dimensions of environment, social and governance (ESG).

Stakeholders were identified in the following segments:

- Customers
- Financial institutions
- Investors
- Employees
- Suppliers

Based on this short list of topics, a number of workshops were held to calibrate and conclusively assess the sustainability matters in terms of their impacts, opportunities and risks. The involvement of the line departments throughout the entire DMA process helps to ensure that the relevant sustainability topics are fully covered and carefully appraised across all group entities. The first analysis conducted in connection with the DMA in 2023 was accompanied by a qualified consulting firm and additional external experts were drawn on for specific issues, particularly with regard to the supplier network. Their involvement took the form of interviews, workshops and expert appraisals. All potential impacts, risks and opportunities, both negative and positive, are based to some extent on business judgement. The time horizons laid out in ESRS 1, para. 77 were applied when identifying material topics.

In addition to an assessment of the materiality of the impacts and their financial materiality, consideration was also given to the assessment by the stakeholders. However, the assessment of “impact materiality” and “financial materiality” by the init group are the decisive criteria for the DMA. The results were reviewed and confirmed by the Managing Board.

The DMA is subjected to annual review and revision in the process of which potential impacts, opportunities and risks are monitored on an ongoing basis. In addition, continuous monitoring occurs within the framework of sustainable due diligence, whose frequency and responsibilities are set individually. The criteria used to assign responsibilities may consist of the professional competence of the officer concerned or their organisational proximity to the relevant processes or interfaces to other relevant activities within the organisation. To ensure a comprehensive perspective along the entire value chain, the company stays in close contact with its stakeholders in purchases, sales and upstream and downstream stages of the value chain. When compiling the DMA, targeted stakeholder interviews were also conducted to ensure as complete a picture as possible of the impacts, opportunities and risks. At the same time, this ensures continuous management of key sustainability topics. Generally, this is achieved by a combination of clear structures, defined processes and regular monitoring. A clear assignment of roles and responsibilities, integration of sustainability aspects in existing management systems and continuous recording and analysis of the relevant indicators ensures continuous management of core sustainability topics.

The Compliance department systematically monitors any whistleblower reports and potentially suspicious cases, particularly in the field of governance with a focus on preventing corruption. All levels of management from local management through to the Managing Board address sustainability matters at least once each quarter, which also involves entering into dialogue with employee representatives and works councils. In addition to the focus on the responsible officers involved – especially in the fields of purchases and sales – init maintains close exchange with its stakeholders upstream and downstream in the value chain.

The procedure described above is applied to assess the potential and actual impacts of the company on people and the environment. The assessment is based on a scale of 0 to 5 along two dimensions: extent and scope for positive impacts. In addition, the factors of probability of potential impacts and the ability to reverse negative impacts are also considered. 0 implies very low impact and 5 stands for a very high impact. The grades in between are derived from these extremes in order to ensure a stringently applied scale. Using this methodology and taking account of a threshold of 2.5, both negative and positive impacts can be prioritised.

If a potential or actual positive or negative impact passes the threshold of 2.5, it is considered material and incorporated in the reporting. The grading is based on a weighting of the parameters of scale and scope, with their average taken as the primary determinant of materiality. Any sustainability matters relating to human rights are given special attention.

In the course of the annual revision of the DMA, the impacts on people and the environment are reviewed using the procedure described above and any changes are considered in the assessment. The validation cycle in the 2025 financial year did not reveal any need for change. Opportunities and risks are revised on a quarterly basis and any needed countermeasures drawn up. These are also considered in the DMA, if necessary. The assessment of financial materiality is performed in close cooperation with the risk management department and is oriented towards established identification and assessment methods, which include both qualitative and quantitative approaches. This coherent approach ensures that the assessment of financial materiality and the assessment of risks undertaken by the risk management department are consistent with each other. A probability-weighted financial materiality threshold of EUR 250,000 has been set when identifying any material opportunities or risks. This value has been determined on the basis of internal analyses in order to make a clear distinction from non-material impacts. Risks and opportunities that surpass this threshold are integrated in the corporate planning and can result in adjustments to the strategy. In the course of assessing the identified opportunities and risks, both actual and potential financial impacts are considered. An examination is also conducted to determine whether any risks and opportunities can be derived from the impacts. One example of a risk is that rising CO_2 prices could lead to higher operating expenses, while regulatory changes could result in a need for new technologies or considered as an opportunity. Likewise, potential growth opportunities arise from the transition to more sustainable products or business models.

To adequately consider environmental risks, a climate risk and resilience analysis was conducted for key locations of the group, taking the respective geographic circumstances into account. The company does not selectively focus on certain sustainability aspects, but considers all business activities holistically and assesses the related risks uniformly.

In 2025, a biodiversity analysis pursuant to ESRS 2 IRO-1 AR 4 was conducted for the first time. The material locations of the group were chosen for this extensive analysis: Karlsruhe, Berlin and Chesapeake. All three locations lie outside of nature reserves, conservation areas or protected biotopes.

In aggregate, these material locations do not have any direct impact on biodiversity as they do not use any spaces designated as relevant for biodiversity. A potential indirect impact was identified in the form of noise and light emissions and land use. However, this impact was assigned low materiality, also due to the fact that the emission limits laid down in the law (e.g. in industrial zones) are observed. There are no primary or direct interdependencies between the business model and biodiversity, ecosystems or their performance.

Likewise, a water stress test and analysis of water scarcity pursuant to ESRS 2 IRO-1 AR1 was conducted for the first time in 2025. Here, too, the material locations of the group were chosen for the water stress test: Karlsruhe, Berlin and Chesapeake.

As none of these material locations directly use any groundwater in their production or cooling operations and, moreover, do not emit any hazardous substances or microplastics, there is no significant risk relating to the company in terms of water stress or water scarcity.

init does not focus on certain activities within the framework in the course of assessing its sustainability matters as all its businesses serve the business model as a whole. Instead, it treats these risks equally. In order to make a well-founded assessment of its financial impacts, init also makes use of scenario analyses on the basis of the various time horizons defined in ESRS 1, para. 77. This means that short-term risks, such as fluctuations in commodity prices, are considered along with long-term challenges posed by climate-related transformations or market changes. These analyses are incorporated directly into the financial and investment strategy in order to initiate risk mitigation measures as early as possible or to seize opportunities.

The assessment of risks and opportunities in the context of financial materiality also extends to assessing any negative or positive consequences that could affect the company's impacts on people and the environment where these have a financial impact. For example, a breach of the rules on working hours could result in fines for the company, whereas sustainable business policies afford the group market opportunities. Identifying such financial impacts is part of a process that is closely coordinated with the risk management system. In a first step, relevant sustainability risks and opportunities are systematically identified on the basis of internal analyses and expert opinions. This involves applying a combination of qualitative and quantitative methods to ensure a well-founded assessment. A probability-weighted materiality threshold of EUR 250,000 has been set for financial materiality.

In the process, init relies on the scenarios developed in the course of deriving the impacts to also assess the potential consequential losses or potential income and the probability of it occurring. These assessments take account of the various time horizons in order to adequately place the relevance of short-term and long-term impacts. In addition to assessing direct impacts, financial risks and opportunities along the entire value chain are also assessed. This includes both upstream risks, such as potential cost increases in the supply chain due to stricter environmental regulation, as well as downstream opportunities, such as rising demand for sustainable products and services. The entire assessment procedure is based on generally-accepted risk management methods used to manage risks and analyse opportunities. This ensures its coherent and systematic integration in corporate management. Sector-specific requirements have not been included in the ESRS to date. If these are incorporated in the Delegated Regulation in future, the init group will consider them when the time comes.

The consumption of natural resources only plays a small role in the business model of the init group. The products of init only use natural resources to a very small extent and its manufacturing process conserves resources where possible. There is no elevated consumption caused by production, nor does the manufacturing operation lead to water or air pollution or the contamination of any other natural resources.

Rare earths or comparable materials only play an insignificant role, as they do not count among the commodities used by the company. They are merely contained in assemblies or components sourced from upstream in the value chain. The manufacturers of these parts are global leaders in their respective fields. There may be residual risks relating to rare earths in the direct supply chain. The suppliers and their value-added can be substituted in some cases. The avenues open to the init group to obtain information or even exercise any influence in this regard are limited.

The following summary presents the topic-related ESRS in the form of a materiality matrix.

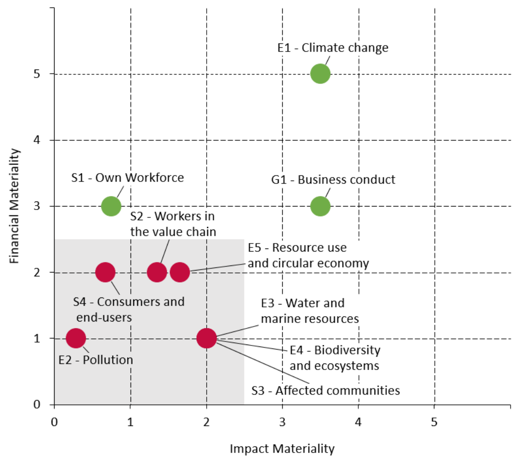


Figure 5: Materiality matrix

Material impacts, risks and opportunities (SMB-3)

The sustainability-related impacts, risks and opportunities identified by the init group in the course of its DMA that are deemed to be material are listed in the following figures.

As presented in figure 5: three of the ten ESRS topics are material to init. In addition, the group views the topic of "data protection and information security" as material. This topic is allocated to the company-specific disclosures.

Each of the material ESRS topics, along with the sub-topics, relating to the material impacts, risks and opportunities (IRO), such as climate change and own workforce, is presented in the following figures. In addition, the figures show whether the impacts, risks and opportunities lie in the group itself (IC), or the upstream value chain (UVC) or downstream value chain (DVC). They also present their time horizon and whether the impacts are positive or negative. Unless otherwise indicated, the impacts refer to actual impacts. The figures contain a brief description of the most significant impacts, risks and opportunities. The impacts, risks and opportunities marked as material do not have any influence on the value chain, business model or strategy of the group at present nor is any expected. This is based on the fact that the identified risks and opportunities are already covered by the risk management system.

The following impacts were identified as material in the course of the DMA and are described in the figure below, along with their opportunities and risks:

E1	Climate change	
	Material impacts, opportunities or risks	Description
	Climate change mitigation	
Mid-term opportunity (IC)	New opportunities from the mobility transition	Regulatory changes in the short term and rising costs (e.g. due to emission allowances) as well as subventions for public transport (e.g. Deutschlandticket) are promoting an expansion in public transport and enhancing the appeal of alternative mobility solutions, such as e-mobility. This opens up new sales potential for init with its product portfolio consisting of charging infrastructure, charging management and intelligent solutions, as these solutions effectively support transport operators in mastering these challenges.
Mid-term risk (DVC)	Uncertainties dampen the success of e-mobility	The transition from internal combustion engines to e-mobility is being delayed worldwide due a number of unresolved issues, such as government assistance for electric buses in Germany. In addition, a lack of capacity frequently prevents OEMs and customers from making the transition in time. This could restrict realisation of the sales potential referred to above.
Short-term positive impact Actual (DVC)	Public transport adaptation by means of simple solutions	In terms of pricing and trip planning, public transport is complex. With the solutions from init, passengers receive better information and more simplified pricing (e.g. account-based ticketing). This makes public transport more attractive, encourages a shift away from individual trips and assists transport operators to design their offering. A shift towards public transport lowers emissions and makes an important contribution towards more sustainable mobility.
Short-term negative impact Actual (UVC)	Carbon emissions along the value chain are unavoidable	init purchases most of its hardware components from EMS providers and uses logistics companies for its transport and shipping Due to the fact that most energy in the supply chain is sourced by our partners and that not all suppliers operate on a zero-emissions basis, these goods and services lead to CO_2 emissions that init has limited ability to influence.
Short-term positive impact Actual (DVC)	init products foster a sustainable reduction in CO_2 emissions	init's products contribute both directly and indirectly to a reduction in CO_2 emissions in public transport. In terms of direct influence, by analysing and optimising driving patterns or prioritising signalling, it is possible to reduce stop and go traffic in public transport. In terms of indirect influence, optimised routing and deployment plans can maximise the use of resources, leading to more trips from the same fleet and thus lower the need for additional vehicles. This leads to lower CO_2 emissions from the same product offering.
	Energy	
Short-term negative impact Actual (DVC)	Limited selection of energy sources	The customers' choice of energy sources when operating systems and components generally lies outside init's sphere of influence. Consequently, it is unable to guarantee the sole use of renewable energies. This means that fossil fuels may be used, which raise CO_2 emissions.

S1	Own workforce	
	Material impacts, opportunities or risks	Description
	Working conditions	
Mid-term risk (IC)	Lack of employee retention jeopardises business success	Employee satisfaction and commitment are vital to the success of the business. The loss of key personnel due to employee churn, illness or a lack of clarity in processes can result in personnel bottlenecks, higher recruiting costs and possible project delays.

G1	Corporate governance	
	Material impacts, opportunities or risks	Description
	Corporate culture	
Short-term positive impact Actual (IC)	Corporate culture fosters exchange and cooperation	A strong corporate culture and uniform Ethical Guidelines ensure that, for example, environmental and human rights matters are a permanent feature of corporate management. This creates transparency and reliability and has a long-term impact on people and the environment.
	Protection of whistleblowers	
Short-term positive impact Potential (IC)	Whistleblower system to uncover and remedy irregularities	An effective whistleblower system helps to uncover any irregularities relating to sustainability and corporate governance matters all along the value chain. This also extends to possible human rights grievances upstream and downstream in the value chain where no own whistleblower system has been established. In this way, init makes a positive contribution towards resolving such grievances as the (affected) individuals can turn to the whistleblower system of init while keeping the matter confidential.
	Corruption and bribery	
Short-term risk (DVC)	Corruption and bribery	Individual misconduct can result in a massive loss of the firm's reputation, right through to being locked out of calls to tender (blacklisting). Corruption and bribery are an inherent risk that, in extreme cases, can culminate not only in a loss of reputation but also in an erosion of the business foundation due to blacklisting.
	Company-specific disclosures	
	Data protection and information security	
Short-term risk (IC)	The risk of a loss of reputation due to errors in data processing	The group processes customer data solely as a contract processor within the framework of its agreed service packages. Responsibility for the data remains with the customer, who retains control over the use and protection of its data. Nevertheless, there is a risk of a loss of reputation for init if data is lost or data protection is breached at the customer, due to a leak, for example.

Figure 6: Identified impacts, risks and opportunities (IROs)

In terms of positive impacts, init is working on refining its business model and supporting it by means of profitable growth. The latter also provides the means to maintain and expand the business model. In addition, the company pursues a targeted communication strategy to present the positive impact of the actions it takes in the field of public transport in a transparent manner. As an example, this can take the form of a structured dialogue with local authorities, public transport authorities and customers via digital information channels and the submission of project reports. The negative impacts can only be limited by init to some extent, as they generally lie outside of its control. Thought is also given to resilience, with analyses conducted. At the present time, the group is already in discussions with stakeholders all along the value chain to identify and address any positive or negative changes in its impacts on people and the environment. In parallel, the group uses its business planning processes and conducts regular quarterly reviews with the most significant entities to discuss opportunities, risks and influences (in the general sense, but also in terms of sustainability) on the corporate strategy and goal attainment. As a result, trends can be identified at an early stage and suitable measures initiated. This allows the group to mitigate potential risks in good time. The same applies to changes in the group's impacts on people and the environment. The above quarterly reviews, which involve the respective members of the Managing Board and the risk owners of the business planning, have facilitated the early identification of risks within the group, also across the separate entities. This serves to strengthen the long-term resilience of the group and helps to monitor individual and aggregated risks, assessing their impacts on the ability of the group to bear risk. If risks – either individually or in aggregate – eventuate that significantly erode the capital of the group through to insolvency, additional mitigation measures are initiated on top of the established measures. This fosters the resilience of the organisation. The capital adequacy of the group i.e. its ability to bear risk) is based primarily on its equity.

Both the corporate strategy and the business model enable the group to realise its opportunities and to improve its resilience towards risks. This creates the foundation for sustainable, organic and inorganic growth across all time horizons pursuant to ESRS 1, para. 77.

In addition to the above analyses, the risk analyses conducted in the course of the DMA identify sustainability risks that could affect the business model and strategy. These include climate change impacts on supply chains, the pricing of CO_2 allowances and extreme weather events, as well as risks of resource shortages and rising energy costs. Moreover, regulatory challenges and extended reporting duties have been created by new ESG legislation, while social risks in the supply chain can also play a role, particularly with regard to labour law and human rights. The group is pursuing various strategic measures to improve the resilience of the group to these challenges. These include flexible and sustainable sourcing strategies to secure the supply of resources and a managed diversification of the supply chain to minimise geopolitical and climate risks. In addition, the company invests in energy-efficient and low-emission technologies in order to meet both regulatory and market needs. To ensure its financial resilience, the group has a range of potential financing sources available to it that can be strategically tailored to sustainability risks. These basically consist of green finance and sustainability-related credit lines as well as equity finance to reinforce the ability of the company to bear risk. In addition, reserves are created to cushion any unanticipated financial burdens, such as ESG-related risks. The group has received a good credit rating from various rating agencies, even though the specific details on existing or potential financing arrangements are kept confidential.

An initial resilience analysis was conducted in the 2024 reporting year in terms of the impact on people and the environment. This analysis is still valid without restriction. The policies applied by the risk management department have been applied accordingly. The resilience analysis of the exposure to opportunities and risks is structurally integrated in the risk management process.

In the course of the DMA, the impacts of sustainability risks are assessed from an outside-in perspective. Only a few were identified as material. The likelihood of these risks eventuating is deemed to be suitably low. In addition, the risk management department performs a Monte-Carlo simulation in which a scenario-based risk aggregation is conducted. This considers the negative impacts (in risk management, this corresponds to a risk) caused by sustainability risks. These two analyses confirmed that the company is not currently exposed to any significant negative impacts from sustainability risks. At the same time, they demonstrate the resilience of the corporate strategy and the business model to sustainability risks. The climate-related risks identified by init are discussed in the section on the climate risks analysis. This section addresses whether a risk qualifies as a physical climate-related risk or as a climate-related transition risk. It also discusses the resilience of the strategy and the business model to climate change. The material impacts, risks and opportunities have not changed in comparison to the previous reporting period.

There are no significant risks arising from the company’s own activities and business relationships, products and services that are very likely to have a severe negative impact on the non-financial aspects in the sense of Sec. 289c HGB.

Interests and views of stakeholders (SBM-2)

The approach taken by the init group to consider stakeholders underscores its commitment to actively listen to stakeholders and take their views seriously. init seeks to understand the positions, concerns and expectations of its customers, partners and users of INIT solutions by maintaining continuous dialogue with them, for example, via the user forum. This cross-platform channel allows all these stakeholders to swap notes. The results of this constant interaction are incorporated in our sustainability activities, projects and processes and allow us to orient our activities towards the interests and views of stakeholders. The following relevant stakeholders have been identified in the course of drawing up the group sustainability report:

	Organisation of stakeholder involvement	Purpose of stakeholder involvement	How the outcome is considered
Employees	- Employee surveys - Personal development interviews	- Enhancing employer appeal - Trust when working together	- Raising the Employee Promoter Score (EPS) - High scores on employer rating platforms
Customers	- Customer surveys - User group meetings - Working groups	- Identifying customer loyalty - Exchange on professional matters and integration of relevant customer topics - Active integration in the development of init products and systems	- Trends - Product and system development - Adjustment of the marketing strategy
Providers of capital (investors and banks)	- Investor relations - Individual meetings and conferences between the Managing Board and investors	- Securing the financing of the group - Developing an understanding of investor expectations	- Monitoring financial indicators - Development of the strategy
Suppliers	- Regular communication with the applicable departments - Onsite visits	- Securing effective collaboration along the supply chain - Establishing a joint understanding of sustainability to support the long-term stability of business relationships and supply chains	- Influencing supplier selection and the wording of contracts

Figure 7: Stakeholders

Stakeholder concerns and interests are reflected by the management estimates drawn up in the course of the DMA. The agreement between management estimates and the feedback received from stakeholders is presented in a comparison of the respective assessments. The findings from the exchange with stakeholders, both regular interaction and the exchanges conducted in the course of the DMA, are communicated to the Managing Board at least once annually during the evaluation of the DMA and the respective management bodies. In particular, the input from stakeholders is made visible. The Managing Board uses these findings to derive key fields of action, strategies and measures.

The Supervisory Board is informed at least once annually, and more often if needed, about any developments in the field of sustainability. The results of stakeholder interactions are communicated at these meetings. In addition, the Supervisory Board maintains regular contact to various stakeholder groups and informs itself independently about their interests. The Supervisory Board uses this information to critically question and monitor the group's strategies, measures and objectives.

Structure and content of the report

ESG themes (environment, social and governance) have been broken down as follows to aid understanding.

In the first section, the report presents the policies/strategies for the individual topics, which the Managing Board sets for the individual entities throughout the entire group. Any deviations are referred to explicitly in the respective section of the report.

In the second section, the objectives relating to the respective ESRS topic are discussed. To ensure that the objectives are presented in an understandable manner, they are formulated in keeping with the SMART approach (Specific, Measurable, Achievable, Relevant and Time-based). This is in keeping with the requirements of ESRS 2, para. 78 et seq.

In order to reach its objectives, the init group defines measures that are explained in the third section of the report. These measures are disclosed for both the 2025 financial year as well as the future. In these cases, the time horizon within which the measure should be completed is stated.

The results are presented in the final section with reference to the measurement method used.

The indicators are subject to a limited assurance review as part of the review of this group sustainability report, which is performed exclusively by the independent auditor.

If other laws apply to the init group, these are described in the corresponding sections of the report. This is the case with the EU Taxonomy, for example, which is mandatory for the init group under the terms of Section 315b lit. f HGB and also Art. 8 of the EU Taxonomy in order to meet the resulting requirements. More details can be found in the section on the “Environment”.

Corporate management, processes and organisation

The role of the administrative, management and supervisory bodies (GOV-1)

init SE has a dual management system consisting of a Managing Board and a Supervisory Board.

Managing Board

As the executive body of a listed European Company (Societas Europaea, SE), the Managing Board must act in the interests of the company and is obliged to sustainably create stakeholder value. It manages the affairs of the company and is bound by the German Stock Corporation Act to uphold the interests and business policies of the company. The Managing Board provides the Supervisory Board with regular, timely and comprehensive information about all key issues relating to the company’s business development and risks and agrees on corporate strategy with the Supervisory Board, including the Company’s ESG objectives. Furthermore, it ensures that legal rules, official regulations and internal company guidelines are adhered to and works with the Supervisory Board to ensure that all group employees comply with them.

The Managing Board of init SE is composed of five members, all of whom only perform executive duties. It is staffed solely by men who bear the joint responsibility for corporate management. The Managing Board is composed of the CEO, COO, CFO, CHRO, and the CRO.

All members of the Managing Board have many years’ experience from their time with various companies and their knowledge and professional skills complement each other in those sectors that are relevant to our projects and geographical distribution (also in terms of sustainability) and with handling the significant impacts, risks and opportunities for the company. This is also reflected in the allocation of management functions, which indicates the competencies and the experience of the Managing Board (no breakdown of experience by product or specific location has been made due to its irrelevance to init). The suitability and mix of competencies is already secured during the appointment process by means of professional recruiting guided by the Supervisory Board.

Functions

Chief Executive Officer (CEO)	Chief Operating Officer (COO) / Deputy CEO	Chief Financial Officer (CFO)	Chief Human Resources Officer (CHRO)	Chief Revenue Officer (CRO)
Dr. Gottfried Greschner	Matthias Kühn	Dr. Marco Ferber	Jörg Munz	Martin Timmann

Responsibilities

- Business Development - Legal - Production - Purchasing / Supply Chain	- IT Services & Cyber Security - Key Projects - Operations and Field Services - SW & HW Engineering	- Compliance - Controlling - Data Protection - ESG-Reporting - Financial Services - Investor Relations - M&A - Quality Management - Risk Management	- Human Resources - Organisational Development	- Research & Product Marketing - Sales and Marketing - Support - System Design

Figure 8: Allocation of management functions within the Managing Board of init SE since 1 October 2024

As the central task of corporate management, the Managing Board defines the strategic orientation of the company, ensures that the risks of business activities are handled responsibly by means of a comprehensive internal control and risk management system and ensures that legal requirements and internal guidelines are observed within the company. The system of internal controls and the risk management system include a compliance management system that is aligned to the risk exposures of the company.

The Managing Board is aware that social and environmental factors affect business outcomes and considers these when managing the company in its best interests. It also decides on the appointment of management positions Diversity as a decision-making criterion is understood to mean complementary personal profiles, careers, and life experiences, also from an international perspective. Moreover, the Managing Board exhibits a mixed age structure. Diversity aspects are taken into account in the selection process, but the focus is on the professional and personal qualifications of the individual persons.

The directors support the Managing Board of init SE. They perform tasks for the Managing Board in their respective functions and provide topic-related assistance when monitoring the IROs. The CFO, as the head of the department, and the employees involved in compiling the ESG reporting regularly coordinate on the matters relating to impacts, risks and opportunities. During these consultations, the IROs are assessed critically during workshops and revised accordingly. The individual IROs are assessed using a strict assessment scheme, before their treatment is approved by the CFO, see IRO-1, DMA.

A standard written procedure is in place for this purpose and common practice in the company does justice to the steps referred to above (among other procedures, a tool is used as a control for sustainability-related impacts, risks and opportunities; see GOV-5). This has proven its worth in multiple repeated quality assurance tests.

Other information does not fall within the scope of the audit covered by the independent auditors.

Supervisory Board

The Supervisory Board advises and monitors the Managing Board in the management of the company. Decisions of fundamental importance to the company are subject to the approval of the Supervisory Board and are set out in the Managing Board's rules of procedure. Transactions with related parties may, by law, require the prior approval of the Supervisory Board. Monitoring and consultation extends to sustainability issues derived from the IRO analysis.

The Chairperson of the Supervisory Board is elected by the Supervisory Board from among its members. He coordinates the work of the Supervisory Board and represents the interests of the Supervisory Board externally. In addition, the board is responsible for appointing members of the Managing Board, determining their number in accordance with legal and statutory requirements and setting the target figure for female representation on the Managing Board.

Together with the Managing Board, the Supervisory Board ensures that there is long-term succession planning in place. When screening candidates for a Managing Board position, the basic eligibility criteria from the Supervisory Board’s perspective are their technical qualification for the area of special responsibility they are going to manage, proven leadership skills, prior performance and their knowledge of the market and the company. As part of the assessment, the Supervisory Board also takes into account the personality that would complement the panel of the Managing Board in the best possible way. The board understands this to mean that the different profiles, professional and personal experience, also international experience, of the members complement each other as well as ensuring an appropriate gender representation. The diverse professional, educational and personal experiences (also in terms of sustainability) of the Managing Board members complement each other. The Managing Board should have a diverse age structure. A conscious decision has been made not to set any specific targets regarding the age of an individual or all members of the Managing Board, as this would restrict the Supervisory Board in selecting suitable Managing Board members. init operates in a market that requires flexibility, specialist expertise and many years’ experience.

The Supervisory Board of init SE is composed of shareholder representatives and, since the Shareholders’ Meeting in 2024 has five members, as laid out in the articles. With Prof. Michaela Dickgießer, Dr. Johannes Haupt and Ulrich Sieg, three members of the board (60 per cent) are independent of the company (in the sense of recommendation C6, GCGC) in the current period. Christina Greschner is a close family member of the Chairperson of the Managing Board and Andreas Thun maintains close business relationships with one of the dependent companies of the company. The members of the Supervisory Board are appointed for one year. The Supervisory Board endeavours, in its entirety, to provide a competence profile that ensures that the Managing Board is supervised competently and given informed advice. Each member of the Supervisory Board also ensures that he or she has sufficient time to perform his or her duties.

The persons proposed for election to the Supervisory Board should provide assurance, based on their professional expertise, skills and experience, their integrity, their ethical conduct, independence and personality that they can responsibly carry out the duties of a supervisory board member in a leading international technology firm that operates in the mobility sector. The Supervisory Board of init SE is convinced that a strict general restriction on membership on the Supervisory Board which does not consider the respective Supervisory Board member individually, is not an appropriate method to further improve and professionalise the work of the Supervisory Board. Rather, the company’s interests in searching for suitable candidates are better served by a flexible composition of the Supervisory Board with different terms of office and experience and practical consideration of a diverse age structure. The company has published the terms of office of each Supervisory Board member since 2014, thus enabling the shareholders to decide for themselves about the individual suitability of the re-election of a member of the Supervisory Board. Potential conflicts of interest, the number of members of the Supervisory Board and diversity aspects are also given appropriate consideration when appointing members to the Supervisory Board.

The Supervisory Board has issued rules of procedure which are also published on the company's website. It meets regularly, at least once a quarter, and passes its resolutions by simple majority, unless otherwise required. Female representation on the board comes to 40 per cent in the current period, with male representation at 60 per cent (a gender ratio of 2:3). The Supervisory Board members undertake training measures at their own initiative and with support from init SE. Apart from their orientation towards the purposes of the company, there are no restrictions on such training. In addition, efficiency in the 2025 financial year was assessed by external experts who were commissioned for the task.

The competence profile for the Supervisory Board requires the following qualifications:

- Knowledge of the mobility sector
- At least one member with professional knowledge of accounting
- At least one member with professional knowledge of auditing
- Knowledge of internal controls and risk management systems and M&A
- Knowledge in the field of corporate governance and German stock corporation law
- At least one member with professional knowledge of human resource management
- One member with knowledge of the regions and markets in which the init group operates or intends to tap into
- One member with experience in technology (including information technology and digital transformation)
- One member with knowledge of the significant sustainability issues for the company
- Independence of the Supervisory Board members

The members of the Supervisory Board have disclosed their respective competencies. With the aid of this qualification matrix, it can be ensured that the experiences of the members complement each other in terms of sectors, products and geographical locations. In particular, the point "knowledge of the sustainability issues that are significant for the company" can be answered in the affirmative for all members.

In its current composition, the Supervisory Board meets all the qualification requirements referred to. According to the qualification matrix, Dr. Johannes Haupt is the expert in "internal controls and risk management systems".

The audit committee supports the full Supervisory Board in its work. One member of the audit committee must have professional knowledge in the field of accounting and at least one other member professional knowledge in the field of auditing financial statements. This includes the group sustainability report and the related auditing.

Collaboration between the Supervisory Board and Managing Board

As the holding company leading the group, init SE defines the corporate strategy and assumes the roles of top-level management, financing and communication with important target audiences in the corporate environment, in particular with the capital market and shareholders.

The Supervisory Board and Managing Board of init work closely together for the benefit of the company. The Managing Board regularly provides the Supervisory Board with timely and comprehensive information on all relevant issues of corporate governance, in particular the strategy, planning, business performance, the risk situation, risk management, compliance, the internal audit and sustainability. This includes setting potential objectives in terms of the relevant IROs and monitoring them. In addition to the regular coordination between the CFO and the employees involved, it is ensured that the IRO list is up-to-date before it is forwarded to the members of the Managing Board and, if necessary, the Supervisory Board for final approval. The Chairperson of the Managing Board immediately informs the Chairperson of the Supervisory Board about important events that are of material importance for the assessment of the situation and development as well as for the management of the company. They are in active contact between the meetings. The Supervisory Board also meets regularly without the Managing Board. If necessary, the Chairperson of the Supervisory Board convenes extraordinary meetings of the Supervisory Board.

Among other tasks, the audit committee of init SE prepares motions for resolution by the Supervisory Board concerning the separate financial statements, the consolidated financial statements, the half-year financial report and the quarterly statements issued during the year. In addition to its oversight duties, it also advises the Managing Board on accounting issues, the effectiveness of the internal control system and the risk management system as well as compliance, the internal audit system and sustainability. Particularly with regard to the latter, it ensures that the Managing Board anchors social and ecological considerations in its strategy. In addition to the collaboration between the Supervisory Board and the Managing Board, there is regular exchange with the employee representatives (Works Council). init does not have any employee representation or other workers representatives sitting on its executive or supervisory boards. The Combined Works Council of init SE, INIT GmbH and INIT Mobility Software Solutions GmbH (IMSS) comprises eleven members; female representation comes to 27 per cent and male representation to 73 per cent.

The Works Council and the Managing Board meet regularly many times over the course of the year. In addition, there is one annual meeting held together with the Supervisory Board. In addition to these regular meetings, ad hoc meetings are held with the functional heads of the Managing Board.

Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-2)

According to the allocation of management functions, the CFO is responsible for sustainability matters. For this reason, the CFO is involved in the regular revision of the IRO list in order to fulfil the related due diligence duties (see also SBM-1, Strategy). Each quarter, the CFO reports to the other members of the Managing Board and informs them of the latest status of the policies and the corresponding level of goal attainment. In turn, the Managing Board informs the Supervisory Board at regular intervals (at least quarterly), in good time and comprehensively of all relevant issues concerning governance, in particular, strategy, planning, business development, risk position, risk management, compliance and sustainability, including the material impacts, risks and opportunities as well as the associated measures, metrics and targets (see GOV-1).

Sustainability matters are regularly considered when central decisions are made. This especially applies to investment decision and corporate transactions (acquisitions of other companies), as these are part of the due diligence performed in the course of the risk assessment. The IROs serve as orientation for the assessment and are regularly considered in the decision-making material as well as during the later monitoring of the strategic alignment. In this way, it can be ensured that decisions are made in accordance with the Business Judgement Rule (Section 93 (1) sentence 2 AktG). With regard to the accounting processes of consolidated entities, init SE considers the features of the internal control and risk management system to be material if they could have a significant influence on the corporate accounting and the overall picture conveyed by the consolidated financial statements. This involves identifying any material fields of risk and areas of internal control that are relevant to the accounting process. The subsidiaries provide the parent company with monthly reports on their business development and submit monthly financial statements.

Material sustainability aspects that have a significant influence on the risk position of the init group can be allocated to the following areas:

- Risks of irregularities within the company: bribery, corruption, fraud
- Climate change and climate mitigation (ESRS-E1)
- Own workforce, working conditions (ESRS-S1)
  Data protection and information security (ESRS Company-specific)

The material impacts, risks and opportunities that init addressed during the reporting period can be found under SBM-3 "Material impacts, risks and opportunities and their interaction with strategy and the business model".

Integration of sustainability-related performance in incentive schemes (GOV-3)

Variable remuneration components are granted on the basis of financial criteria. No variable remuneration components are set on the basis of non-financial criteria. Sustainability criteria and the short-term and long-term sustainability targets are reflected in the product portfolio of the init group and the business model.

Statement on due diligence (GOV-4)

The field of business in which the init group operates is already targeted towards sustainability: The objective of the business activities of the init Group is to improve public transport and, as a result, reduce the amount of private traffic. The init group sets its strategy on innovative mobility concepts that secure a technological advantage for forward-looking public transport operators. The init group develops, manufactures, integrates, installs, maintains/supports and operates software and hardware for public transport companies and renders the related services. The group's products and services are designed to improve the quality of transport services in terms of customer orientation, punctuality, convenience, service, safety and shorter travel times. With the help of these products, climate-damaging CO_2 emissions are reduced and resources conserved.

Core elements of due diligence	Sections of the Group Sustainability Report
a) Due diligence duties in governance, strategy business model	- GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies - GOV-3: No non-financial indicators are used to set variable compensation components - SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
b) Involvement of affected stakeholders in all important steps of the due diligence process	- GOV-2 The CFO is responsible for sustainability matters; quarterly reporting to the other members of the Managing Board; regular reporting to the Supervisory Board - SBM-2 Interests and views of stakeholders - IRO-1 - MDR-P
c) Identifying and assessing negative impacts	IRO-1 (including Application Requirements related to specific sustainability matters in the relevant ESRS) - SBM-3
d) Action taken to address negative impacts	- Governance - Policies (G1-1), (G1-3), (G1-4) - MDR-A
e) Tracking the effectiveness of these efforts and communication	- Governance - Policies (G1-1), (G1-3), (G1-4) - MDR-M - MDR-T

Figure 9: Core elements of due diligence

Risk management and internal controls over sustainability reporting (GOV-5)

Material non-financial risks (see GOV-2) are considered within the framework of the risk management system. Their content is oriented towards the ESRS standards. The internal control system is oriented towards the core business processes of the company and initially ensures that risks can be avoided. In terms of the group's sustainability reporting, a systematic process has been established within the init group (see also GOV-2) whose primary purpose is to minimise risks, avoid errors and comply with laws and regulations. Data input and data approval are assigned to different individuals. This ensures that the principle of dual control is complied with and can be seen as the first step in testing data quality. In addition, rules have been set up within the system itself, such as when a high percentage delta on the previous year is recorded. The first step involves init SE critically analysing the quality and plausibility of the data (see also IRO-1, "Description of the processes to identify and assess material impacts, risks and opportunities") and the section on the "Forecast, opportunities and risks") in the management report. This also involves a control of completeness and the evidence collected.

Environment

Owing to its business model, the init group makes a contribution to promoting global public transport and therefore contributes indirectly to environmentally friendly forms of mobility in terms of conserving resources and reducing emissions. The product portfolio of init reduces particulates and the emission of harmful substances by its customers. In addition, the inclusion of environmental aspects in the group sustainability report is essential to tracing the sources of the group's own emissions and reducing these potentially in future. In this way, init increases the transparency of its sustainability-related activities. For interested stakeholders, the report presents the way in which the group acts responsibly towards sustainable development – in accordance with its strategic alignment and the foundations of its business model.

init has identified six material IROs in the field of the environment. Under the mandatory disclosures on E1 Climate change and the subsection on climate mitigation measures, positive impacts were identified under "Public transport adaptation by means of simple solutions" and "init products foster a reduction in CO_2 emissions". The negative impact is the IRO "Carbon emissions along the value chain are unavoidable". In addition, the opportunity "New opportunities from the mobility transition" has been identified. "Uncertainties dampen the success of e-mobility" is the sole risk in the downstream value chain and therefore outside the control of init (see the section on the "Value chain" (SBM-1)). In this subsection, a negative impact was identified in the form of "Limited selection of energy sources", which also relates to the downstream value chain and therefore not under the direct control of init.

The following section deals with the EU Taxonomy and climate change in detail.

Analysis of climate risks/climate resilience (ESRS E1 IRO-1)

Introduction/Background

Businesses are required to address climate risks more closely and undertake climate mitigation/adaptation measures. In the course of this process, an assessment of climate risks needs to be undertaken to allow systematic management of physical climate risks. During its assessment, init focussed on its direct partners, such as public transport operators, in the value chain. This was based on the assumption that the goods and services located further upstream in the value chain could be substituted. No downgrades were made in the downstream value chain, as the customer base of init is ultimately always composed of public transport operators and public transport-related providers. In this context, all material physical risks were considered.

Companies that intend to achieve alignment with the Taxonomy in accordance with the EU Taxonomy Regulation must also ensure that these business activities meet a number of “do no significant harm” (DNSH) criteria. Detailed disclosures on the EU Taxonomy can be found under “Taxonomy Regulation” and “EU Taxonomy Templates” later in this report. These DNSH requirements also stipulate, among other matters, that adaptation to climate change is not ignored. The legal requirements are defined in Annex 1, Appendix A of Delegated Regulation (EU) 2021/2139. This requires a robust assessment to be presented of climate risks and vulnerabilities to climate change. In order to achieve taxonomy-alignment in terms of contributing substantial contributions to climate change mitigation, it is necessary to conduct an analysis of climate risks.

This analysis is conducted at all of the material locations of the init group and, in addition, is verified for those locations that could be potentially affected by climate risks.

In sum, this analysis of climate risks and climate change resilience helps to identify risks at an early stage, develop sustainable solutions and prepare the organisation for future challenges. The analysis was conducted in financial year 2023, validated in 2025 and includes the upstream and downstream value chain within the scope referred to above.

Methodological approach

The analysis of climate risks and resilience to climate change assesses the resilience of init to risks and opportunities caused by climate change. This involves a scenario analysis of climate change in order to identify the potential impacts of climate change on IT infrastructures, supply chains and the business model of init. Climate resilience analysis serves to review whether there would be any significant consequential losses for the group from climate risks such as infrastructure damage to buildings, and how these could be sustainably mitigated.

Although most of the assets carried by init are non-current, they can also be affected by certain events in the short term. For this reason, correlation between the periods depicted in this group sustainability report and the anticipated residual useful lives of the assets is restricted. The classification into short-term and medium or long-term assets is initially performed by the bookkeeping routines, which make a distinction between current and non-current assets (which consist primarily of property, plant and equipment and intangible assets). By definition, current assets can only be subject to events in the short-term. As already stated, all non-current assets can be affected by short-term, medium-term or long-term events.

The climate risk analysis and associated resilience analysis cover a period of ten years and therefore cover the short-term horizon, the medium-term horizon and five years of the long-term horizon. As a result, the time horizons have been considered by init in a scope that is realistic for planning purposes.

init makes a distinction in its strategic planning between two different time horizons: short-term (< 1 year) and medium-term (1-5 years). Short-term planning considers the budgets and forecasts. Likewise, the risk management system is primarily aligned towards a one-year time horizon with a focus on the business as a “going concern”. In its medium-term perspective, init derives strategic measures and assesses these in terms of their mid-range impacts on financial results and other indicators, such as market share. As a result, the two most important planning horizons of init fully equate with the framework provided by the ESRS. The group’s projections beyond a period of five years mainly relate to technological scenarios and long-term strategies for entering markets. However, their detail is limited and they do not provide a holistic picture of the group's future development. These scenarios generally serve the impairment testing of specific assets. As a result, the resilience analysis considers all planning horizons of the strategic planning and its business scenarios.

init does not publish a formalised capital allocation strategy. Rather, init attempts to strike a balance in its dividend policies, which it sees as a key element of its capital allocation, between financing growth and rewarding the participation of shareholders. Structurally, capital allocation in the short-term is set in the extended budgetary planning that the Managing Board draws up in cooperation with the Supervisory Board. This considers investments in property, plant and equipment and intangible assets as well as other growth, taking possible dividend scenarios into consideration. In the course of its strategic medium-range planning, init sets corridors for the volume of capital expenditure, with particular attention being paid to the overall capital structure. This also considers any M&A transactions. At present, init does not plan its capital allocation, in the narrower sense, for the long term.

As part of its climate risk and resilience analysis, the group reviews whether assets or business activities of the group are exposed to a risk of loss or significant impairment. Despite the fact that its business model is basically virtual by nature, init conducted an analysis of its material physical assets at its central locations. Significant locations for the init group are:

- Germany / Karlsruhe
- Germany / Berlin
- USA / Chesapeake, VA

Corporate headquarters, which are responsible for the strategic alignment of the group, are located in Karlsruhe. In addition, the group holds land and buildings as well as stored hardware and parts at this site. Manufacturing operations of the group are found in Berlin and the location in Chesapeake holds land and buildings as well as stored hardware and parts as well as manufacturing entities.

In addition to the physical risks of loss, the analysis also considers climate transition risks. These comprise financial and operating risks that the company is generally exposed to due to the transition to a low-carbon and sustainable economy. These arise from changes in the political, regulatory or technological environment, the market economy and social framework due to climate mitigation measures. As part of its process to identify climate-related transition risks to the group itself and its upstream and downstream value chain, init considers the following risks:

- Regulatory risks – new or more stringent climate mitigation requirements, such as the pricing of CO_2 allowances, emission limits or disclosure requirements (e.g. due to the ESRS or the EU-Taxonomy),
- Technological risks – Innovation risks and substitution risks caused by new more climate-friendly technologies that push existing products or processes from the market
- Market risks – changes in demand for fossil fuels and high-emission products as well as rising costs for non-sustainable business models
- Reputation risks – loss of reputation and an erosion in investor or customer confidence due to inadequate climate strategies or sustainability measures.

The business activities of the init group are carried out by its entities and have been assessed individually. In conclusion, a lifetime of 10 years can be expected for all business activities.

In the course of the climate risk analysis, both physical risks (e.g. extreme weather events, rising temperatures) as well as transition risks (e.g. more stringent environmental regulations, rising energy costs) are identified. Generally-accepted climate scenarios, such as IPCC-RCP scenarios, are used to examine the effect of various climate paths on init. In the process, init analyses a range of different climate scenarios, both ambitious ones as well as less ambitious scenario projections. SSP1-1.9 (Shared Socioeconomic Pathway 1-1.9), which is compatible with global warming being limited to 1.5°C, with or without limited deviation, represents the reference scenario. Scenario RCP 8.5 (Representative Concentration Pathway 8.5) from the Intergovernmental Panel on Climate Change (IPCC) was used as the pessimistic scenario. A "business-as-usual" scenario was also modelled, in which GHG emissions continue to rise unabated with high emissions and massive climate change until the year 2100.

In a next step, init reviewed the impact of these risks on its business activities and assets. This resulted in a summary of critical risks, which was then used in the resilience analysis to derive and prioritise migration strategies. Likewise, the resilience analysis verified whether the measures could be maintained for the long term and that sufficient resources were available for adaptation.

The uncertainties revealed in the resilience analysis relate to the challenges and limitations in assessing the resilience of init to sustainability risks. Uncertainties are unavoidable in a resilience analysis, as they are based on forecasts, model assumptions and external factors. Their number, completeness, specific interdependencies and combined consequences for people and the environment, primarily, and therefore also for init and its business activities and assets, cannot be conclusively determined on any scientific basis, which results in an inherent uncertainty in the model. Even if cause-and-effect relationships were perfectly understood the actually observed scenarios can only be predicted with a limited degree of assurance due to the development of the real parameters. For this reason, init has concentrated on drawing up comprehensive scientifically-founded scenarios of the environment.

In spite of these challenges, resilience analysis is a valuable tool for init for identifying potential sustainability risks at an early stage and developing adaptation strategies. A dynamic and adaptive approach has been implemented to remain resilient for the long term.

Findings of the risk analysis

The business model of init is primarily virtual by nature.

There is no material physical risk of losses at any of the locations across the group. Sales and distribution, software development and administration are not physically tied to any particular location. Consequently, they are geographically flexible over a wide region. Operations can continue in the event of extreme weather events, such as heat waves or storms.

The analysis of the relevant assets and activities revealed that the Chesapeake location in the United States is exposed to a risk of rising sea levels, a risk of hurricanes and a fundamental risk of flooding, due to its proximity to the water. No other qualitative assessment was made as a rise in sea levels is not material at present, nor in the reference scenario. Likewise, the location has not been hit by hurricanes in the past and has not been affected by flooding, despite is closeness to the coast.

No potential chronic or acute negative impacts were identified at the locations of Berlin, Germany or Chesapeake, United States. There is a potential risk of negative impacts on the workforce in Karlsruhe due to hot weather (chronic) or heat waves (acute).

Interdependencies, along with the risk of cascading effects and combined risks do not apply to any of the three key locations. Moreover, no indirect impacts were identified either. Over recent decades the init group has experienced a general warming of the climate. However, the changes have been limited and not had any impacts on its business processes.

Based on international climate studies (SSP5-8.5 Low confidence scenario from NASA, Virginia Know Your Zone Tool, topographic-map, flood map, Germany's Environmental Protection Agency (NBA) and Germany's National Meteorological Service (DWD), the init group expects to see a limited increase in temperatures, which should, however, not have any operating impact on the group.

The Karlsruhe location is the only element of the system that will be affected by a moderate degree of heat stress. The other elements of the system were each assigned a low risk to the various climate risks. The spaces of the system element affected, namely the stores of materials and equipment, are leased. The ability to call for structural alterations to install climate control equipment is limited. In the hottest months of the year, the employees start working in the early hours of the morning. Local cooling measures in the form of air-conditioned rooms and ventilators have been installed and, where possible, remote working solutions provided.

The data centre used by the group has been set up with full redundancy, which also means that there is no exposure to climate risks. Furthermore, init SE is not dependent on any individual providers and can therefore act freely. As a result, the required services can be purchased from providers of equal standing. Moreover, the init group expects the operator of the data centre to adjust the locations of its services if the need arises. The impacts on climate change, GHG emissions in particular, can be found in the required disclosures of ESRS E1-6. It was possible to obtain information on all system elements subject to the examination.

The analyses conducted by the group did not reveal any expected material climate risks or even any transition risks in the short, medium or long-term or any resulting impact on the execution of its activities.

As no transition risks were identified, it was not necessary to make any further analysis of their impact on assets. Likewise, no further analysis was needed as the most material transition risks do not even fall within the scope of the resilience analysis.

From a structural perspective, no assets are affected by physical or transition risks. The one risk that was identified relates to business activities. The corresponding countermeasures have already been implemented. If any need for renewed investment arises in future, then this will be considered in the capital expenditure planning and decision-making process. Otherwise, init did not identify any assets or business activities that are incompatible with the transition to a climate-neutral economy. Furthermore, init did not identify any further climate-related transition events in the 2025 financial year that could have an impact on its assets or business activities.

Findings of the resilience analysis

The analysis of climate risks revealed that there are sufficient financial resources available at present, as well as the time and skills needed, to adjust to climate change. Building technologies, such as insulation or air-conditioning systems were identified as potential investments for reducing the climate risks identified in the course of the analysis.

init did not identify any transition risks. Physical risks are mitigated by actions that have been taken in the past. As a result, there is currently no need for any investment. If new transition risks or physical risks are identified in future, init will take the corresponding countermeasures. Where applicable, this also extends to capital expenditure and investment decisions.

The following resources are available to potentially reduce any identified climate risks:

- At present there are sufficient human, time and financial resources available. Likewise, the required material is also available.
- No change to these resources is expected in the medium term
- Most buildings are insulated/have climate control

The analysis of climate risk revealed just one relevant physical risk but no significant transition risks. Corresponding measures were identified in the course of the resilience analysis to counter the apparent risk. Consequently, there are no known transition or physical risks at present that could result in a negative impact.

At present, init does not expect any direct or indirect consequences to its resilience arising from macroeconomic trends as a consequence of the transition to a lower-carbon economy. Furthermore, the group does not see any critical direct or indirect consequences from its energy use and the intended energy mix from the transition to a lower-carbon economy.

Disclosures pursuant to Art. 8 Regulation 2020/852 (Taxonomy Regulation)

On 8 January 2026, a new Delegated Act on the Taxonomy Regulation (Regulation (EU) 2020/852) was published in the Official Journal of the EU. The delegated act comprises Delegated Regulation (EU) 2026/73 with 16 annexes, which amends the delegated regulation on reporting (Delegated Regulation (EU) 2021/2178), the delegated regulation on the two climate-related environmental objectives (Delegated Regulation (EU) 2021/2139) and the Delegated Regulation on the four non-climate-related environmental objectives (Delegated Regulation (EU) 2023/2486). The new EU regulations may already be applied to the 2025 financial year. However, there is an option to apply the changes from the 2026 financial year onwards (Art. 4 Delegated Regulation (EU) 2026/73). init has chosen to apply this option.

The init group falls within the scope of Section 315b et seq. HGB and must therefore draw up a consolidated non-financial statement and satisfy the relevant requirements in keeping with Article 8 of the EU Taxonomy.

The EU Taxonomy (Article 9) establishes six environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. The sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. The protection and restoration of biodiversity and ecosystems

In the course of applying the Delegated Acts, the business activities of the init group are initially screened and analysed to determine whether they are eligible in terms of the EU Taxonomy, i.e. whether they have the potential to make a material contribution towards one or more of the environmental objectives.

In a second step the activities identified as eligible are reviewed to determine whether they actually align with the EU Taxonomy. A fundamental prerequisite is that they must comply with minimum social standards. Moreover, taxonomy-alignment is achieved when an activity meets all the relevant technical screening criteria as defined in the delegated acts of the EU Taxonomy. These criteria define the requirements for an activity to be classified as environmentally sustainable. At first, the material contribution of the activities to the six Environment Objectives needs to be reviewed and a substantial contribution made to at least one of them, while at the same time doing no significant harm ("DNSH").

As a result, the business activities of the init group, which focus on integrated solutions for planning, dispatching, telematics and ticketing for buses and trains were allocated to Activity CCM 6.15 "Infrastructure enabling low-carbon road transport and public transport" of the EU Taxonomy and can therefore be classified as Taxonomy-eligible and Taxonomy-aligned. The term "infrastructure" in the definition of the group's activities should be interpreted in the wider sense. In this regard, a Commission Notice released on 20 October 2023 clarified that the provision of IT infrastructure for public transport that can be counted among "intelligent transport systems" falls within the scope of the activities of CCM 6.15.

The business model of the init group was considered in its entirety when measuring turnover as a key performance indicator (KPI). By providing solutions for the whole chain of public transport processes provided to the targeted customer segment, the init group provides an enabling activity, and therefore falls within the scope of application of the EU Taxonomy. By developing, producing, integrating, installing, maintaining and operating software and hardware products as an end-to-end solution, which transport companies need to fulfil their operating requirements and needs, the init group makes a significant contribution to the functioning and efficiency of public transport by providing the IT infrastructure for public transport.

The analysis of business activities is revised at regular intervals to account for any amendments to the regulatory requirements and developments in the business activities. In the reporting year 2024 the business activities were thoroughly examined in terms of the technical screening criteria for Environmental Objectives 3 through 6. As a result, all of the environmental objectives are reviewed. Due to the step-by-step introduction of the Taxonomy, this is being conducted within two different time horizons. In conclusion, the business activities that have been newly adopted in the Delegated Act only apply to the business model to a very limited degree. Some components of the products of the init group can be allocated to activity CE 1.2 Manufacture of electrical and electronic equipment for industrial, professional and consumer use in connection with the Environmental Objective "Transition to a circular economy". Some components are sold individually within the framework of after-sales supply activity, which frequently follows on from earlier project business, e.g. for the expansion of vehicle fleets. However, these only provide the customer with added value in connection with the software developed by init.

Consequently, these components do not constitute their own product category and are only sold, as mentioned above, in the after-market business. For this reason, they are combined as an integral component of the project-related solutions and therefore covered under Activity CCM 6.15. Reference is made to the comments on the IFRS 15 interpretation of revenue in the notes to the consolidated financial statements. Merely products in the "automotive engineering" category at CarMedialab GmbH are reported under Activity CE 1.2, as these are sold to customers outside of the public transport project business. The review of activity CE 1.2 once again resulted in the finding that the activities are not taxonomy-aligned.

The group's other activities outside of the field of public transport are classified as non-eligible activities. At 2.8 per cent, they account for just a small amount of the total revenue of the init group.

The share of total turnover generated with Taxonomy-aligned activities is calculated as the portion of net turnover generated with Taxonomy-aligned activities (numerator) divided by total net turnover (denominator), which corresponds to the revenue from contracts with customers reported in the consolidated financial statements pursuant to IFRS 15. In the 2025 reporting year, 97.2 per cent of turnover was reported as eligible under the EU Taxonomy (previous year: 97.9 per cent).

In addition to the product-based group turnover indicator in the EU Taxonomy, capital expenditure (CapEx) and operating expenses (OpEx) as reported in the consolidated financial statements are also analysed.

The CapEx indicator includes all additions to/investment in intangible assets, property, plant and equipment and investment property as well as right-of-use assets pursuant to IAS 38, IAS 16, IAS 40 and IFRS 16 (CapEx). CapEx in the reporting period relates to assets or processes that are connected to the Taxonomy-aligned activities of the init group. In particular constellations, such as the sale of electric cars, these could be allocated to other activities. However, this does not correspond to the intended purpose but just the defined purpose of the source of the investment. No investments were made in the reporting period that lie within the framework of the CapEx plan. The share of Taxonomy-aligned CapEx, which at init corresponds to its Taxonomy-eligible CapEx, is calculated as the sum of Taxonomy-aligned CapEx (numerator) divided by total CapEx (denominator). The share of Taxonomy-aligned CapEx presented in the 2025 reporting year comes to 94.9 per cent (previous year: 97.1 per cent) and is therefore below the level of the previous year.

For Taxonomy-eligible or Taxonomy-aligned OpEx, spending on non-capitalised research and development costs, short-term leases, installation of energy efficiency equipment in buildings as well as repair and maintenance were also considered. In this process, individual parts were analysed and, if applicable, allocated to Taxonomy-eligible or Taxonomy-aligned activities.

The proportion of Taxonomy-aligned OpEx is calculated as the sum of Taxonomy-aligned OpEx (numerator) divided by total OpEx (denominator). In the 2025 reporting year, 91.5 per cent of OpEx was reported as eligible under the EU Taxonomy (previous year: 94.8 per cent).

Turnover, CapEx and OpEx as well as the respective share of sustainability in the three identified KPI's are calculated on the basis of a detailed analysis of all the relevant accounts in the group's chart of accounts. A clear allocation to the three KPIs is made at account level. Taxonomy-aligned turnover, CapEx and OpEx are attributable to Activity CCM 6.15 "Infrastructure enabling low-carbon road transport and public transport" of Annex 1 of Delegated Regulation (EU) 2021/2139 (climate change mitigation) in its most recent version (Commission Delegated Regulation (EU) 2023/2485). Due to the clear allocation of the accounts and the fact that the business activities of the init group can be clearly allocated to customer segments and applications, it can be ruled out that turnover, CapEx or OpEx components have been double-counted.

The results of the individual reviews of the technical screening criteria are presented in the attached templates. Whether a significant contribution is made towards realising one or more of the environmental objectives, or whether one or more of the environmental objectives is impeded is tested on the basis of the specific evidence and documented accordingly. In this regard, a comprehensive climate risk analysis was carried out for all significant locations of the init group that could be potentially affected by climate risks. Details can be found in the section on the climate risk analysis / resilience analysis. The analysis of Taxonomy-aligned business activities (consisting solely of CapEx in 2025) did not reveal any anticipated material climate risks with an associated DNSH impact arising from performing these activities.

The DNSH criteria for Environmental Objectives 3 through 6 are aimed at avoiding possible impediments to realising the objectives as a result of construction on infrastructure projects. However, the infrastructure measures of the init group do not qualify as construction but rather consist of intelligent transport systems. These are also covered by Activity CCM 6.15 (see horizontal question 101 in the Commission Notice C/2023/267 released on 20 October 2023). Consequently, Environmental Objectives 3 through 6 are not affected by the infrastructure activities of the init group.

The due diligence process at the init group ensures compliance with the minimum protection afforded by the OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights, the ILO International Labour Standards and the International Bill of Human Rights. Compliance with the minimum standards is communicated both internally within the init group and also with external parties.

The indicators for the reporting year can be seen in the reporting templates on the following pages.

The reporting required by Annex XII of Commission Delegated Regulation (EU) 2021/2178 does not apply to the init group due to the fact that it did not record any capital expenditure or operating expenses in the 2025 financial year that were related to nuclear energy and fossil gas related activities as defined in Commission Delegated Regulation (EU) 2022/1214, The corresponding template is titled “Template 1: Nuclear energy and fossil gas related activities”. Templates 2-5 are not relevant.

EU Taxonomy reporting templates 2025

TURNOVER

2025 financial year		2025		Substantial contribution criteria					
Economic activities (1)	Code (2)	Turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)
		EUR k	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. Taxonomy-eligible activities									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	320.0036	97.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**320.003**	97.1%	97.1%	0.0%	0.0%	0.0%	0.0%	0.0%
of which enabling		**320.003**	97.1%	97.1%	0.0%	0.0%	0.0%	0.0%	0.0%
of which transitional		**0.00**	0.0%						
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Manufacture of electrical and electronic equipment for industrial, professional and consumer use	CE 1.2	**239**	0.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**239**	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		**320.242**	**97.2%**	97.1%	0.0%	0.0%	0.0%	0.0%	0.0%
B. Taxonomy-non-eligible activities									
B. Turnover of Taxonomy-non-eligible activities		**9,429**	**2.8%**						
Total [1]		**329,671**	**100.00%**						

CAPEX

2025 financial year		2025		Substantial contribution criteria					
Economic activities (1)	Code (2)	Absolute OpEx (3)	Share of OpEx (4 %)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)
		EUR k	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. Taxonomy-eligible activities									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	20,541	94.9%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
CapEx on environmentally sustainable activities (Taxonomy-aligned) (A.1)		**20,541**	**94.9%**	**94.9%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
of which enabling		**20,541**	**94.9%**	**94.9%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
of which transitional		**0.00**	**0.0%**						
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Manufacture of electrical and electronic equipment for industrial, professional and consumer use	CE 1.2	11	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CapEx on Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**11**	**0.0%**	0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**
A. CapEx on Taxonomy-eligible activities (A.1+A.2)		**20,552**	**94.9%**	94.9%	0.0%	0.0%	0.0%	**0.0%**	**0.0%**
B. Taxonomy-non-eligible activities									
B. CapEx on Taxonomy-non-eligible activities		**1,100**	**5.1%**						
Total [2]		**21,652**	**100.0%**						

OPEX

2025 financial year		2025		Substantial contribution criteria					
Economic activities (1)	Code (2)	Absolute OpEx (3)	Proportion of OpEx (4 %)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)
		EUR k	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. Taxonomy-eligible activities									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	19,107	91.5%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
OpEx on environmentally sustainable activities (Taxonomy-aligned) (A.1)		**19,107**	**91.5%**						
of which enabling		**19,107**	**91.5%**	**91.5%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
of which transitional		**0.00**	**0.0%**						
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Manufacture of electrical and electronic equipment for industrial, professional and consumer use	CE 1.2	0	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
OpEx on Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0**	0%						
A. OpEx on Taxonomy-eligible activities (A.1+A.2)		**19,107**	**91.5%**						
B. Taxonomy-non-eligible activities									
OpEx on Taxonomy-non-eligible activities		**1,765**	**8.5%**						
Total [3]		**20,872**	**100.0%**						

DNSH criteria ("Do No Significant Harm")									
Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of turnover 2024 (19)	Category of enabling activity (20)	Transitional category (21)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
	Y	Y	Y	Y	Y	Y	97.8%	E	
	Y	Y	Y	Y	Y	Y	**97.8%**		
							97.8%		
							0.1%		
							97.9%		

DNSH criteria ("Do No Significant Harm")									
Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of taxonomy-aligned CapEx (19)	Category of enabling activity (20)	Transitional category (21)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
	Y	Y	Y	Y	Y	Y	97.0%	E	
	Y	**Y**	**Y**	**Y**	**Y**	**Y**	**97.0%**		
							97.0%		
							0.0%		
							0.1%		
							97.1%		

DNSH criteria ("Do No Significant Harm")									
Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of taxonomy-aligned of OpEx (19)	Category of enabling activity (20)	Transitional category (21)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
	Y	Y	Y	Y	Y	Y	94.8%	E	
	Y	**Y**	**Y**	**Y**	**Y**	**Y**	**94.8%**		
							94.8%		
							0.0%		
							0.0%		
							0%		
							94.8%		

Template 1: Nuclear energy and fossil fuel-related activities

	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat – including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No

	Fossil gas related activities	
1	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
2	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
3	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

ESRS E1 Climate change

Climate change counts among one of the greatest global challenges of our time and represents a threat to our ecosystems, habitats and economic systems. Rising GHG emissions, which primarily result from the use of fossil fuels, are leading to a warming of the global atmosphere. This may lead to extreme weather events, a rise in sea levels and the loss of biodiversity. To counter these developments, international measures and joint action are required. init is aware of its corporate social responsibility and intends to spell this out. The transition to renewable energies, the promotion of sustainable technologies and the reduction in emissions are at the centre of efforts aimed at limiting the negative impacts of climate change and secure a future worth living.

The EU Paris-aligned benchmarks (EU PAB) are a category of climate benchmark indexes that were created within the context of the EU Sustainable Investment Regulation. They are designed to help investors align their decisions with the Paris Agreement, especially the objective of keeping global warming to a maximum of 1.5°C above pre-industrial levels.

Policies

Policies refer to the higher-level strategies, processes, and defined areas of activity that create the framework within which the init group can pursue the goals of potentially combatting climate change, mitigating its impacts and promoting a transition to a low-carbon economy. They include requirements and guidelines that must be implemented at local, national and international level, such as the group-wide reduction of Scope 1, Scope 2 and Scope 3 emissions to net zero, the use of renewable energy, where possible given the respective location, and the travel policy and company car policy in place at Karlsruhe. Implementing such policies within the company can foster responsibility for the environment and also reduce costs over the long term. Within the organisation of init SE, the parent company of the group, responsibility for ESG reporting and the associated group sustainability report has been assigned to a task force headed by the CFO reporting to the Managing Board. The block of “Environment” aspects is discussed quarterly at meetings of the Managing Board and the results achieved are presented.

The policies are targeted at the significant IROs, which are described in more detail at the beginning of the section on the environment.

In the respective rules of procedure of the group entities, the binding responsibility for sustainability reporting via the centralised systems and processes, and therewith also environmental aspects, has been assigned to the respective management teams. The entities are informed about any developments concerning the implementation directives at regular meetings and workshops, and given training on such matters as the technical guidance for calculating indirect (Scope 3) emissions. The data gathered for reporting purposes is subject to a progressive approval process. The data are collated by a Data Collector for each relevant entity, entered into the system and approved by the Data Manager. In addition, the central ESG organisation checks the data for completeness and accuracy.

Concepts related to climate change mitigation (E1-2)

To reduce GHG emissions and contain climate change, many governments and local authorities where init operates are increasingly calling for the use of public transport, which generally emits far less carbon measured in CO_2e kg per passenger kilometre (Pkm).

In a next step, energy efficiency in local public transport plays a central role in reducing emissions, lowering operating costs and minimising the negative impacts on the natural environment. init’s integrated system solution provides public transport operators with the potential to offer transport that is significantly more energy-efficient than the use of private vehicles. With the use of init products, various measures and technologies to raise the energy efficiency of public transport become possible for customers. The criteria of energy efficiency covers various internal aspects within the init group, which are targeted towards reducing energy consumption and optimising the use of existing energy, such as technologies with low energy consumption (e.g. LED lighting, modern heating and cooling systems). The positive impacts of optimising energy efficiency are manifold and include economic (e.g. cost-savings), ecological (e.g. reducing GHG emissions) and social aspects (e.g. ensuring energy security).

The transition to battery-electric buses frequently reduces energy consumption and reduces customer dependence on fossil fuels. Electric buses emit lower carbon than diesel buses. However, operating a mixed fleet of electric and diesel buses presents a special challenge to transport operators. Among the reasons for this are the different requirements they place on infrastructure and charging stations / filling stations, the different kinds of repairs and maintenance, the limited range of electric buses and the need for special driver training. In addition, the combination of different operating costs and coordinating fleet schedules complicates the efficient use of the different types of buses.

The fleet management solutions offered by the init group explicitly address these challenges and support operators in the transition to more sustainable drive systems. Urban traffic, with its frequent stop-and-go traffic puts greater demands on vehicles. For this situation, init offers products that help to optimise driving patterns. The implementation of init’s priority signalling solution reduces idle times in traffic and therefore energy consumption. This leads to short travel times and greater appeal for public transport.

In addition, init offers efficient charging and depot management solutions. For example, in times of low demand, such as in the nighttime, smaller vehicles can be used or the frequency reduced to reduce energy consumption. On-demand traffic systems, such as MOBILEFLEX, are integrated software applications for booking, deploying and optimising routes to meet on-demand transport, and can be an efficient alternative. The use of intelligent transport management systems and data analyses enables better planning of itineraries and routes. This can reduce the number of delays and unnecessary stops, which also helps to reduce energy consumption.

The use of init products, which combine modern technologies, improved infrastructure and optimised operating strategies, can substantially reduce energy consumption in public transport. Energy efficiency in public transport not only helps to reduce emissions but also improves the economy and appeal of public transport.

Finally, thanks to the strategy pursued by the init group, it is possible to promote more energy-efficient public transport, which plays a key role in sustainable urban mobility and climate change mitigation.

In addition to the impact it has on the customer's operation, init also improves the energy efficiency of its own products, both directly – by efficient software programming and the use of suitable software languages in data centres – and indirectly, by using renewable energy sources in its administration. In this way, the net contribution of the system solutions towards reducing carbon emissions can be improved.

GHG removals and internal carbon pricing (E1-7/E1-8)

GHG removals and GHG mitigation projects financed through carbon credits are still not used by the init group, but the option of doing so is being reviewed. At the time of reporting, the init group does not have any internal carbon pricing.

Targets (E1-4)

init continues to pursue its objective of becoming net zero in Scope 1 and Scope 2 emissions by 2030 at the latest. To date, no specific targets have been set for GHG removals in accordance with ESRS E1. In absolute figures, Scope 1 and Scope 2 emissions are very low. init is continuing to work on its gross reductions and can derive targets for the 2027 report, if needed. The first steps towards an absolute reduction have already been initiated and described in detail in the section on mitigation actions and measures.

To measure its indirect Scope 3 emissions, the group relied on the data captured (in suitable quality) across the whole group in the 2024 reporting year. Moreover, owing to a lack of supplier data, Scope 3 emissions cannot be specified to allow init to derive a sufficiently reliable database from which to set qualitatively appropriate targets in accordance with ESRS-E1. However, a long-term net zero ambition for Scope 3 GHG emissions by the year 2050 was defined in the 2025 reporting year for the first time.

init did not join the Science Based Targets initiative (SBTi) in the 2025 financial year due to inferior data quality but reviews the option on a continuous basis.

The reduction, in conjunction with a possible ESRS-compliant target for Scope 3 emissions, will be an element of the climate strategy in future.

The findings regarding environmental matters can be found in this report and will serve management as a foundation for setting group-wide targets and mitigation measures for the following years.

Procedures / actions / measures

Transition plan for climate change mitigation (E1-1)

A transition plan for climate change mitigation serves to reduce GHG emissions in a systematically and structured fashion. It can comprise both technological as well as organisational measures and enable successive adaptation to the challenges of climate change. A carefully prepared plan increases stakeholder trust, favours innovation and contributes towards init remaining resilient to climate risks in future.

In the opinion of the Managing Board, a transition plan requires a systematic approach. As a first step, it is essential that the status quo is analysed and that uniform data capture is ensured throughout the group.

init implemented this step in the 2024 reporting year. By calculating GHG emissions, including Scope 1 (direct emissions), Scope 2 (indirect emissions from energy consumption) and Scope 3 (indirect emissions from the value chain), it is possible to identify the largest sources of emissions and then, in a second step, draw up mitigation measures. To date, no transition plan has been implemented. The contents serve init as a guideline for realising the climate objectives.

Actions and resources in relation to climate change policies (E1-3)

To reduce GHG emissions and comply with the requirements of the ESRS, actions and measures are taken throughout the group in the fields of training, energy sources, mobility, technical plant and equipment, and the supply chain.

In the field of energy, init continues to convert to environmentally friendly sources where possible. In the summer of 2025, iris GmbH and Derovis GmbH in Berlin converted to green electricity from renewable sources. The Chesapeake location and the company in Portugal both sourced their electricity from renewable sources for the entire reporting period. As a result, the two largest emitters made the transition to green electricity as part of the group's actions and measures. In addition, the expansion of in-house power generation from renewable sources was driven forward: Since the beginning of 2025, the photovoltaic plant at the location in Karlsruhe has been fully operational and helps to cover a portion of its energy requirements. This location is currently examining to what extent alternative lower-emission solutions can be found for its heating requirements.

In terms of mobility, the number of vehicles in the company fleet is being successfully reduced in absolute numbers. This is resulting in a reduction of emissions due to the smaller fleet. The labour-management agreement was amended with the changes taking effect in the first quarter of 2025. As a result, team leaders are no longer provided with a company car. Due to the rolling renewal of the vehicle fleet, the effect of the reduction in emissions will become apparent after a certain delay.

To reduce emissions of coolants, a regular maintenance schedule has been introduced, annually at first, that matches the reporting cycle. The objective is to top up the coolants by a maximum of 10 per cent of their total volume each year, compared to the base year of 2024.

One of the measures set for the Karlsruhe location in 2026 lies in increasing the level of climate competence within the organisation. This involves drawing employees' attention to climate protection, energy efficiency and patterns of behaviour that conserve resources. For instance, these contents will be integrated in training on safety procedures to ensure a sustained learning and implementation effect, such as avoiding leaving devices on standby when not needed, which is in turn can be reflected in power consumption. At the same time, internal communication and awareness-raising measures are used to motivate employees towards handling energy, heat and materials more responsibly. There are plans to roll out these training and awareness-raising campaigns to the entire group thereafter.

Measures were also implemented to capture data for the supply chain in 2025. The focus lies on improving the quality and transparency of supplier-related data to allow reliable reduction targets to be defined and managed in future. To improve the quality of data for Scope 3 emissions, our suppliers are systematically requested to provide us with their direct emissions data for their relevant activities. This allows us to make a more exact measurement of upstream emissions, improve transparency along the supply chain and continuously monitor our climate goals. The associated data is captured in a standardised method, reviewed and incorporated in our annual sustainability report. The necessary structures and processes were introduced in 2025 and extended successively, as some key suppliers do not yet have any comprehensive CO_2 management.

In sum, the company has installed a structured transformation path towards decarbonisation. The actions and measures are assessed annually, developed and, where necessary, complemented by carbon reduction programmes.

Metrics [7]

Energy consumption and mix (E1-5)

Total energy consumption within the init group came to 8,718 MWh for the 2025 financial year (previous year: 9,027 MWh) and could be cut back despite the growth of the business. This corresponds to 5.60 MWh per employee. Total energy consumption consists of three components: fossil fuels of 5,401 MWh (previous year: 7,227 MWh), nuclear sources of 54 MWh (previous year: 263 MWh) and renewable sources of 3,263 MWh (previous year: 1,537 MWh). The share of renewable energy sources rose by 112 per cent in the reporting year. The photovoltaic plant at the Karlsruhe location, which came into full operation, contributed 126 MWh to the power supply, accounting for approximately 4 per cent of the total consumption from renewable sources.

As a percentage distribution, total energy consumption breaks down into 62 per cent (previous year: 80 per cent) fossil fuels, 1 per cent (previous year: 3 per cent) nuclear power and 37 per cent (previous year: 17 per cent) from renewable energy sources.

	2025		2024	
	MWh	%	MWh	%
Total energy consumption from fossil sources	5,401	–	7,227	–
Share of fossil sources in total energy consumption	–	62	–	80
Total energy consumption from nuclear sources	54	–	263	–
Share of power from nuclear sources in total energy consumption	–	1	–	3
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin), biofuels, biogas, hydrogen from renewable sources, etc.)	0	–	0	–
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	3,137	–	1,537	–
Consumption of self-generated non-fuel renewable energy	126	–	0	–
Total consumption of renewable energy	3,263	–	1,537	–
Share of renewable energy in total energy consumption	–	37	–	17
Total energy consumption	8,718	–	9,027	–

Figure 10: Energy consumption and mix

Gross Scopes 1, 2, 3 and total GHG emissions (E1-6)

The Greenhouse Gas Protocol (GHG Protocol) creates a comprehensive global standardised framework to manage and measure greenhouse gas emissions from private and public sector operations, value chains and

[7] Environmental indicators from entities that have an annual average headcount of ten or less are covered by extrapolating the figures.

mitigation actions. When compiling the information for reporting on GHG emissions, init draws on the GHG Protocol as its reporting framework. This provides the necessary methodological foundation to meet ESRS requirements. It ensures transparent, consistent and internationally comparable reporting of greenhouse gas emissions. Moreover, it is internationally recognised. Indirect emissions pursuant to EN ISO 14064 - 1:2018 have been applied.

Among other things, the GHG Protocol sets standards for the accounting of greenhouse gases. The GHG Protocol Corporate Accounting and Reporting Standard contains a list of requirements and guidelines to enable companies and other organisations to draw up an inventory of their greenhouse gas emissions at organisational level. It breaks down the greenhouse gas emissions of a business into three different levels ("scopes").

- Scope 1 emissions are direct GHG emissions from operations that the organisation owns or controls.
- Scope 2 emissions are indirect GHG emissions caused during the generation of purchased electricity.
- Scope 3 emissions are all indirect GHG emissions (not already included in Scope 2) that occur along the value chain of the reporting entity, either upstream or downstream in the chain.

Calculation of Scope 1 and 2 emissions

Scope 1 and 2 emissions are measured at init using the Sphera data capture and reporting tool. The Scope 3 calculation is partly tool-based. The selection of the emission factors for Scope 1 and 2 emissions is made by the tool provider, Sphera. For Scope 3 emissions, internationally recognised and freely available databases are drawn on, where possible. If needed, data on other GHG emissions than just CO_2 can be obtained from the Sphera databank.

Direct emissions (Scope 1) are calculated in accordance with the requirements of the GHG Protocol. They cover all of the organisation's sources of emission that its own or controls, including:

- Mobile emissions from the consumption of fuel by the firm's own vehicle fleet, whether owned or leased
- Stationary emissions from the energy used in buildings (e.g. gas, oil)
- Emissions from cooling agents that arise from topping up cooling plants and air-conditioning equipment

The calculation is performed by multiplying the consumption data with the emission factors issued by the UK environmental agency, Defra. A systematic multi-stage approach was taken to determine which significant assumptions are used in the calculation of Scope 1 emissions pursuant to the GHG Protocol (identification of the relevant assumptions, validation and plausibility check, documentation of the results).

Due to the fact that init does not incur any Scope 1 emissions within the framework of emission trading systems, this value is set at 0 per cent

Scope 2 GHG emissions are calculated in accordance with the requirements of the GHG Protocol. The GHG emissions are calculated on the basis of the purchased energy applying the applicable emission factors on a uniform basis. Calculating Scope 2 emissions on the basis of the GHG Protocol in this way relies on significant assumptions, particularly in the choice of calculation method. The market-based method (contractually-sourced emission factors, e.g. evidence of origin) and the location-based method (average mix of power sources from the grid) were used. The market-based method is primarily used for supplier-specific emission factors. If these are not available, the residual-mix emission factor is drawn on. If this is also not available, the location-based emission factor is used. The emission factors that are applied all originate from recognised sources, such as IEA 2024, EPA 2024, Defra 2025, MLC (formerly GaBi) and Re-Diss 2023. The location-based calculation is based on the average national grid emission factors issued by the IEA or EPA.

If no direct measurements are available, the estimate is made on the basis of invoices or consumption figures. This implies that the indicators must be estimated or extrapolated in some cases due to a lack of data. Emission factors need to be up to date and specific to the location. Using the market-based method, the validity and eligibility of green power certificates for offsetting emissions are also relevant. Power consumption is the main source of emissions. init covers 65 per cent (previous year: 40 per cent) of its power from certified green power, while the remaining 35 per cent (previous year: 60 per cent) is a residual mix drawn from the national grid. The contractual instruments used in the calculation include, for example, green power certificates.

Calculation of Scope 3 emissions

When compiling the required information on gross Scope 3 GHG emissions, the principles of relevance, completeness, consistency, transparency and accuracy were observed, as laid out in the GHG Protocol (2004 version, Chapter 4, pp. 23-24). This involved carefully weighing up any compromises between the individual principles, based on the company's internal targets.

A number of databases for the Scope 3 calculation have been drawn on, such as the UK SIC Codes, IEA emission factors for electricity generation, US EPA GHG emission factors 2024 (Table 9) and Defra 2025.

The calculations for the init group are described in an internal guidance. These are used within the group as a guideline for calculating Scope 3 emissions. The data is captured using the Sphera tool, also for both Scope 1 and 2. In addition, typical tools (spreadsheets) are used for calculation purposes.

The guidance describes each category, how it differs from the other categories and how the "minimum boundary" is to be understood. All categories are calculated using the "operational control" approach. The guidance also describes how the emissions are to be calculated. An attempt is made to obtain data from primary sources for each of the reporting categories, for instance from suppliers, or, alternatively, using spend-based or other estimates based on the latest high-quality emission factors. The categories presented in the guidance match the categories laid out in the GHG Protocol.

The approach taken for Scope 3 reporting is to introduce a quantifiable materiality threshold of 1,000 metric tons CO_2e and not report on any categories that fall below this threshold. Errors are considered to be material when their cumulative impact exceeds 10 per cent of the reported total. Such deviations are corrected and disclosed accordingly.

This means that init reports on its Scope 3 GHG emissions, measured as CO_2 equivalents from each significant Scope-3 category (i.e. each Scope-3 category that has priority for init). These are:

- Category 1: Purchased goods and services
- Category 2: Capital goods
- Category 6: Business travel
- Category 11: Use of sold products

Details on each category can be found below along with the assumptions used in their calculation.

Category	Definition	Data sources used	Calculation
Upstream emissions			
1 Purchased goods and services	All upstream emissions from the production of purchased goods or services (cradle to gate) excluding emissions from categories 2 – 8	UK SIC Codes 2007 Emission Factors by SIC Code (spend-based) exchange.org (translation from EUR into GBP)	Turnover of the position in GBP (£) x selected emission value kg CO²e /£ 90% calculated and 10% extrapolated.
2 Capital goods	Covers all upstream emissions from the production of capital goods that the reporting entity purchased or acquired in the reporting year (cradle-to-gate). (Emissions from the use of capital goods are recorded under Scope 1 or Scope 2)	UK SIC Codes 2007 Emission Factors by SIC Code (spend-based) exchange.org (translation from EUR into GBP)	Turnover of the clustered competencies (£) x selected emission value kg CO²e /£ 90% calculated and 10% extrapolated.
6 Business travel	Covers the emissions caused in the transportation of employees for business-related activities during the reporting year in vehicles not owned or operated by the reporting company, e.g. aircraft, trains, buses and cars.	Defra 2025	Emissions are calculated using the Sphera tool
Downstream emissions (in the value chain)			
11 Use of sold products	Category 11 captures the emissions from the end use of goods and services sold in the reporting year.	IEA emission factors for electricity generation	Lifetime in days (e.g.: 10 years x 365 days/year) x use in hrs/day x number of sold products x product output in kW x emission factors in kg CO_2e /kWh The calculation involved extrapolating the emissions of a comparable company within the group based on sales volume, assuming a similar product mix and CO_2 intensity per product and an uncertainty margin of ±15 per cent.

Figure 11: Classification of Scope 3 categories by GHG

Based on Delegated Regulation (EU) 2023/2772 of the Commission of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards AR 46 d, no emissions or transition risks and opportunities of stakeholders were identified that were relevant for categories 13, 14 and 15. The criteria used in this assessment include, for example, financing expenses, influence, associated transition risks and opportunities or the standpoints of stakeholders.

In most cases, there was no primary supplier data available to calculate Scope-3 GHG emissions because the suppliers were not able to provide their direct emission figures. For this reason, most of the figures have been estimated.

Reporting thresholds

Reporting thresholds, define which units and activities should be included in the calculation of emissions. These can be described for the significant categories as follows:

The reporting threshold for Scope 3 **Category 1** extends to all indirect emissions from purchased goods and services even if init does not have any operative or financial control over the supplier. The demarcation is made along the value chain and not on the basis of the company structure. All materials, components and services needed in production and purchased from external sources are included. These emissions lie beyond the scope of the financial consolidation of init as they are generated by the suppliers.

The reporting threshold for **Category 2** extends to all emissions from the production and delivery of new capital goods that init has acquired. The reporting only covers new capital goods purchased in the reporting year. Depreciation or existing capital goods are not subsequently considered.

The reporting threshold for Scope 3 **Category 6** extends to all emissions from business travel caused by external transport and accommodation providers related to business trips. As init does not have operative control over airlines or railway operators, these emissions are indirect and therefore allocated to Scope 3. All business travel conducted by employees that is organised by external providers (e.g. airlines) is within scope.

The reporting threshold for Scope 3 **Category 11** extends to all emissions caused by the use of products sold by the company to customers. These emissions qualify as indirect because, even though they are caused by the user, they can be attributed to the sale of the product. This includes emissions that arise during the lifecycle of a product, e.g. the use of power to drive the product in operation.

Financial year 2024 marks the first year in which the group fully reports on Scope 1, 2 and 3 emissions (in the significant categories) across the whole group. The figures will be updated annually in future. init revises its entire inventory of Scope 3 GHG emissions every three years or on an ad hoc basis if a significant event occurs or the circumstances change materially. In addition, together with its line departments, the group endeavours to continuously improve its data quality wherever possible.

Indicators

Scope 1 emissions

Under the definition of **Scope 1** 966 metric tons of CO_2e (previous year: 1,268 metric tons CO_2e) were emitted, which corresponds to 0.62 metric tons of CO_2e per employee. The reduction results from lower fuel consumption by the vehicle fleet and restricting the topping up coolants. Mobile energy accounts for just over the largest share of emissions at 44 per cent (the group's own vehicle fleet). This is followed by stationary energy in the form of heating for buildings, which accounts for 41 per cent of Scope 1 emissions and cooling agents (e.g. for air-conditioning) which account for 15 per cent.

Scope 2 emissions

Scope 2 emissions came to 566 metric tons of CO_2e (previous year: 949 metric tons CO_2e) (market-based[8]). This corresponds to 0.36 metric tons of CO_2e per employee. The location-based[9] figure amounts to 1,462 metric tons of CO_2e (previous year: 1,521 metric tons of CO_2e), corresponding to 0.94 metric tons CO_2e per employee. Consequently, the market-based figure of the init group lies 61 per cent below the location-based figure. This is primarily due to the already high share of power sourced from renewable sources at the new locations in Chesapeake, Portugal and Berlin.

Biogenic emissions are not relevant at init, as no renewable fuels are used that fall under Scope 1 or Scope 2, nor any biogenic fuels and materials that fall under Scope 3 along the upstream or downstream value chain.

Scope 3 emissions

Scope 3 emissions came to 52,581 metric tons of CO_2e (previous year: 50,844 metric tons CO_2e). Upstream emissions account for the majority of total emissions. With 39,783 metric tons of CO_2e (previous year: 36,282 metric tons CO_2e), the "purchased goods and services" category is the most significant source of emissions, accounting for 76 per cent of all GHG emissions. Among other factors, the delta on the previous year is due to changes in purchase volumes and an increase in the emission factors at the data centre used. "Capital goods" created 2,587 metric tons CO_2e (previous year: 9,028 metric tons CO_2e), accounting for a share of 5 per cent. The deviation to the previous year can be partly attributed to the fact that the offices of one location were refurbished with new office furniture and equipment in 2024. With emissions of 1,365 t metric

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[8] The market-based method quantifies Scope 2 GHG emissions on the basis of the emissions emitted by the generators from which the reporter contractually purchases electricity bundled with instruments, or unbundled instruments on their own (GHG Protocol, "Scope 2 Guidance", Glossary, 2015).

[9] The location-based method quantifies Scope 2 GHG emissions based on average energy generation emission factors for defined locations, including local, subnational, or national boundaries (GHG Protocol, "Scope 2 Guidance", Glossary, 2015).

tons of CO_2e (previous year: 2,065 metric tons CO_2e), "business travel" accounts for a relatively low share of total emissions of just 3 per cent. The impact of the established travel policy is apparent in the reduction in emissions in absolute figures as employees switch to rail as the preferred mode of transport.

In some cases, Scope 3 emissions in the "purchased goods and services" and "capital goods" categories are calculated using the spend-based method. Due to inherent uncertainties in the method and the use of average emission factors, the results could differ from activity-based methods. It cannot be ruled out that the discrepancies could be significant[10]. init continues to assume that its results can be improved, merely by optimising the measurement base and thereby significantly improving its data accuracy. The increase in Scope 3 emissions, Category 1, can be attributed to the increase in the underlying emission factors due to changes in market conditions, rising upstream emissions, a change in the energy mix and revised databases. The simultaneous rise in purchase volumes has also contributed to this development and amplified the total effect correspondingly.

Downstream emissions are significantly lower. Emissions from the "use of sold products" category amount to 8,846 metric tons CO_2e (previous year: 3,469 metric tons CO_2e), which makes up 17 per cent of total emissions. The increase on the previous year can be partly attributed to higher sales figures.

In sum, it can be stated that the greatest leverage the group has in reducing its emissions still lies in "purchased goods and services", by optimising the calculation and realising potential optimisations within the supply chain. Downstream emissions are relatively low. But, here too, it can be assumed that there are inaccuracies in the calculation, which, if remedied, will potentially contribute towards optimisation.

	2025		2024	
	t CO_2e	%	t CO_2e	%
Scope-1 GHG - gross emissions	966	–	1,268	–
Biogenic emissions in Scope 1-3	0	–	0	–
Percentage of Scope 1 GHG from regulated emissions trading systems	–	–	–	0
Location-based Scope-2 GHG - gross emissions	1,462	–	1,521	–
Market-based Scope-2 GHG - gross emissions	566	–	949	–
Total indirect (Scope-3) GHG - gross emissions	52,581	–	50,844	–
1 Purchased goods and services	39,783	–	36,282	–
2 Capital goods	2,587	–	9,028	–
6 Business travel	1,365	–	2,065	–
11 Use of sold products	8,846	–	3,469	–
Total GHG emissions (location-based)	**55,009**	–	**53,633**	–
Total GHG emissions (market-based)	**54,113**	–	**53,061**	–

Figure 12: Gross Scopes 1, 2, 3 and Total GHG emissions

Due to the business model of init, no figures are reported on CH_4 – methane, N_2O – nitrous oxide (laughing gas), HFCs – hydrofluorocarbons – and PFCs – perfluorocarbons.

GHG intensity

In sum, init contributed 55,009 metric tons of CO_2e to global emissions in the 2025 financial year (previous year: 53,633 metric tons of CO_2e).

[10] In the observed cases, the deviation was higher than 500 per cent.

GHG intensity, which measures GHG emissions against net revenue, is an indicator of the GHG emissions generated per unit revenue. Using location-based measurements GHG intensity came to 167 metric tons of CO_2 per million euro (previous year: 202 metric tons CO_2 per million euro). Using market-based measurements it came to 164 metric tons of CO_2 per million euro (previous year: 200 metric tons of CO_2 per million euro). This implies that a reduction was achieved in both metrics. The net revenue figure used to calculate GHG intensity corresponds to the net revenue presented in the consolidated income statement in accordance with IFRS 15.

	2025	2024
	t CO_2e/EUR m	**t CO_2e/EUR m**
Total GHG emissions (location-based) per net revenue	167	202
Total GHG emissions (market-based) per net revenue	164	200

Figure 13: GHG emissions per net revenue

Social

ESRS S1 Own workforce

Material impacts, risks and opportunities and their interaction with strategy and business model (S1.SBM-3).

The long-term strategy and the business model of init are based on sustainable growth, technological innovation and ensuring operational excellence in local public transport. A productive and motivated workforce is a key success factor in this quest.

In the course of the double materiality assessment, the risk of losing key personnel (IRO “Lack of employee retention jeopardises business success”) was identified as a material risk, as it can have a direct impact on the innovative strengths and long-term stability of the company. The risk of losing key personnel is directly related to the competitiveness and innovative strengths of init. For this reason, targeted personnel strategies are required to enhance employee satisfaction on the one hand, and raise the long-term value added of the company on the other.

By maintaining a strategic focus on retaining employees and offering attractive working conditions, init ensures that this risk does not have a negative impact on its business strategy. At the same time, implementation of these measures helps to reinforce the employer brand and enable the sustainable development of the company.

All employee groups that could potentially be affected by the material impacts and opportunities are considered in the disclosures required by ESRS 2. This includes all skilled professionals whose know-how and expertise have a material influence on the future development of the company.

Significant risks and opportunities arising from the effects related to key individuals within the workforce and dependence on them mainly relate to qualified workers, as they are in great demand on the labour market. Personnel retention measures, such as training programs, personal development opportunities and flexible working time models are therefore targeted towards these groups.

Policies (S1-1)

Policies

As one of the world's leading providers of integrated solutions for planning, dispatching, telematics and ticketing solutions for buses and trains, it is essential that the init group binds its skilled workers and managers to the company for the long term and attracts new talent in the fields of software and hardware development as well as project management in finance and administration. The enthusiasm, commitment and expertise of the workforce lay the foundation for success.

The Code of Conduct is a significant element of the ethical guidelines that provide definition and orientation to corporate culture. These oblige employees to act responsibly, fairly and with integrity and to treat others with respect. The ethical guidelines, which apply to all employees within the group, define the behaviour expected of them. These guidelines have been ratified by the Managing Board and provide a framework for employees regarding their conduct towards colleagues, customers and business associates. Their topics mainly consist of complying with legal and regulatory requirements as well as ethical conduct towards other persons.

The code of conduct laid down in the Ethical Guidelines requires employees to behave in a manner that has a positive impact on both employee and customer satisfaction, minimises the risk of discrimination and, in this way, contributes to the success of the business. Likewise, these guidelines counter the identified risk of employee churn (IRO "Lack of employee retention jeopardises business success").

The most effective method for avoiding discrimination is raising the awareness of employees and training them. For this reason, all new recruits receive training in the Ethical Guidelines and are obliged to comply with them. The existing workforce receives training in the guidelines at least once a year to refresh their memory and ensure that they internalise the guidelines in their day-to-day business. Management, where the guidelines are particularly important, also regularly discusses the significance, interpretation and application of the Code of Conduct, for instance at the annual shareholders' meeting and in the course of regular business reviews. This serves to anchor a collective and individual understanding of the corporate culture and values of the init group and how they are evolving going forward.

<u>Respect for human rights and involvement of own workforce</u>

The init group is committed to respecting the most stringent human rights standards, based on the UN Guiding Principles on Business and Human Rights. The human rights of employees, customers and all stakeholders are protected by observing the fundamental declarations of the International Labour Organisation (ILO Declaration)[11] and the OECD Guidelines for Multinational Enterprises[12]. In addition, init expressly condemns all forms of child and forced labour. Clear policies and established processes ensure that the group's business practices both respect and foster human rights. The Code of Conduct, which is binding for all employees in the group, provides the foundation for this. The principles underlying the Code of Conduct expressly prohibit discrimination on the basis of the following factors: gender, origin, age, skin colour, religious affinity, world view or political opinion, disabilities, and sexual identity. Awareness of these

[11] Universal minimum standards for humane working conditions. They include the issues of freedom of association, elimination of discrimination in respect of employment and occupation, abolition of child labour and elimination of forced labour.

[12] Guidelines on promoting responsible business conduct in a global context

guidelines is refreshed at annual training sessions to keep the relevance and application of human rights standards constantly in the foreground. New recruits receive the Ethical Guidelines during their onboarding already and must make a commitment to observe them. In addition, the Code of Conduct is published on the group's website, providing transparency for both internal and external stakeholders.

Employees can turn to their superiors, the local HR officer and the compliance office at any time if they have questions, comments or suggested improvements. The latter functions as a central point of contact for the entire group. In addition, a whistleblower system is available for anonymously and securely reporting any potential violations. If a violation is found to have occurred, suitable action is taken immediately. This includes a comprehensive examination by the independent office and – if necessary – investigation by external investigators. In addition, targeted training can be given or structural changes made to avoid similar incidents in future. Feedback from employees and whistleblower reports are considered in the continuous improvement process to refine the guidelines and ensure that they meet the highest standards.

Statement regarding the Modern Slavery Act 2015 Section 54

This declaration describes the measures taken by the init group to prevent and combat slavery and human trafficking along the supply chain. The measures apply to all entities of the init group and are reviewed on a regular basis. The contents of the group's revised Statement regarding the Modern Slavery Act can be viewed on the website of the group, ensuring transparent communication to all relevant stakeholder groups. Other than the above, there are no specific reporting requirements or targets relating to the Modern Slavery Act. Compliance is ensured within the framework of the general compliance measures.

Policy statement on the human rights strategy

The new policy statement on the human rights strategy released in the reporting year defines the binding standards to establish fair working conditions, protection from discrimination and a safe workplace. This policy describes the expectations of the init group for its employees, suppliers and business partners in terms of observing human rights along the entire value chain. The init Group has aligned its activities with the United Nations' Universal Declaration of Human Rights, the principles of the UN Global Compact and the Fundamental Principles and Rights at Work of the International Labor Organisation (ILO). The policy statement applies to all entities within the init group and serves as a due diligence guideline for observing human rights, especially within the meaning of the Supply Chain Due Diligence Act. It is available to all employees in the intranet and also published on the website of the company. It will be regularly reviewed and revised on the basis of the results of the risk analyses and changing global requirements.

Health & safety policy

At its location in Karlsruhe, init has installed a concept to prevent industrial accidents in the form of a health & safety policy. This policy has been added to the internal quality management system and is available to all employees for reference. Although this policy has been established, it does not yet meet all of the requirements of the ESRS. In addition, first aid responders and a works doctor are available at headquarters to comprehensively address any acute crisis situations and health issues.

The applicable industrial safety legislation applying in Germany is viewed as a minimum standard. Often standards in other countries are more stringent or supplementary legislation applies. Consequently, some locations have put their own specific industrial safety policies into place, in the UK for instance.

Diversity and inclusion

The init group acknowledges the significance of diversity and inclusion as a key element of its corporate culture. However, at present there is no specific concept to explicitly abolish discrimination or promote equal opportunity. Likewise, there are no targeted measures to support particularly vulnerable groups. Correspondingly, no separate commitments have been entered into or specific procedures set up for this purpose. Diversity is nevertheless actively supported: the init group has taken steps to promote networking within the workforce, such as a women's network at the Karlsruhe location to promote the interests of women in the organisation.

Procedures / actions / measures

Processes for engaging with own workers and workers' representatives about impacts (S1-2)

Transparent communication is important throughout the entire group. For this reason, employee surveys are conducted each quarter and feedback is obtained in the course of annual employee interviews to foster trust and cooperation. The topics discussed during the performance review are oriented towards the responsibility of each employee and their personal development opportunities as well as the alternative career paths open to them. Measures to increase init's attractiveness as an employer are continuously reviewed by the HR department and the Managing Board as to their implementation and effectiveness. The review is conducted at the different locations and in close consultation with location managers, other executives and employee representatives as well as by analysing the employee promoter score (EPS) and analysing employer rating platforms such as kununu. The HR department ensures that feedback is collected and systematically addressed. The Managing Board reviews the findings and considers them in their strategies and when deciding on next steps. At present, no formal documentation is kept concerning the specific changes made on the basis of employee feedback. However, the company continuously considers the feedback it receives from the workforce in order to develop and improve its processes and policies.

The init group has not arranged any collective labour-management agreements with the employee representatives but instead relies on close cooperation with the local employee representatives and location managers in order to incorporate employee perspectives and obtain feedback.

Processes to remediate negative impacts and channels for own workers to raise concerns (S1-3)

The init group places great store on creating a working environment that minimises negative impacts on employees and effectively remedies any incidents that become apparent. This includes both preventive measures, such as risk analyses, as well as flexible rapid responses to unforeseen negative impacts that can nevertheless occur. Such measures can take the form of rapid changes to working procedures, for instance.

The objective is to use clear and accessible channels to ensure that all employees can air their grievances in a protected and respectful environment.

Channels for expressing concerns

Open communication is a key element of our corporate culture and this includes openness to employee concerns. It is ensured that all employees have access to various channels in order to express their concerns, securely and confidentially. These channels include:

- Direct contact: naturally, employees have the opportunity and are encouraged to directly contact their immediate superior, the HR department or executive management. init fosters a corporate culture that holds open feedback in high esteem and where concerns are taken seriously.

- Internal points of contact/employee representatives: at those offices with employee representation, employees can turn to these to air their concerns at any time. The corresponding works councils are in regular and close contact with the respective management teams, which ensures the matter is addressed promptly and an effective solution found.
- Whistleblower system: a whistleblower system is in place that offers employees the opportunity to express their concerns anonymously. This system is web-based and operated by a third party. Moreover, it can be accessed from anywhere. All reports from whistleblowers are immediately sent by the system to the independent reporting office at init SE, where they are reviewed and processed. Generally, the Independent Compliance Management Committee (ICMC) is responsible for initiating internal investigations and setting the actions needed to address whistleblower reports. The ICMC decides on whether to initiate and conclude internal investigations on serious violations relevant to the group; after concluding its own investigations, the committee decides on the actions to remedy any weaknesses in processes or controls that are identified and/or address any individual misconduct it identifies.

init has widely published its whistleblower system and other procedures for addressing employee concerns. These announcements describe the functioning of the system and how it provides anonymity. All information and data in the system is encrypted and only accessible to authorised persons in the init group. This ensures that the rights of the whistleblower are permanently protected. Whistleblowers must only reveal their identity if the applicable local laws prevent anonymous reports. However, there is no possibility to directly review the trust of the workforce under these structures.

Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions (S1-4)

Processes to remediate negative impacts

There are comprehensive procedures in place to rapidly and effectively address any negative impacts on the workforce. These procedures are geared not only towards meeting the legal requirements but also the highest standards in human rights and fair working conditions.

The following instruments are used to identify and assess any negative impacts at an early stage:

- Risk analyses are conducted to identify any potential negative impacts on the workforce. These analyses consist of both internal examinations and external assessments.
- Continuous monitoring of working conditions and processes is used to ensure that risks are identified at an early stage and addressed appropriately.

The processes in place to remediate negative impacts are not used to find short-term solutions but rather to find sustainable measures to minimise the risks in future. They include structural changes, training and, if necessary, alterations to corporate policies. The effectiveness of the measures is regularly measured to ensure that they are generating the desired results. This monitoring primarily takes the form of feedback loops between top managers and employees.

A number of actions have been set up, such as training and development programs, flexible working time models and health initiatives, which are described in more detail elsewhere in this report, to counter the material risk of employee churn (IRO “Lack of employee retention jeopardises business success”).

Key importance is assigned to the active involvement of the workforce and the importance given to social topics. This is exhibited in the strategic decision to appoint a Chief Human Resources Officer (CHRO) at group level. Other opportunities arise from fostering equal treatment, equal opportunity and diversity within the entire init group.

Actions to prevent, mitigate or remedy material negative impacts on own workforce:

Flexible working time work models

The init group will continue to offer hybrid working models in future that offer flexible working hours and a mix of working remotely (within the legal limits of the home country) and working in the office. These hybrid working models and flexible working time models meet the desires of many employees for more flexibility and a work-life balance but also the operating needs of at least some attendance in the offices, which fosters indirect communication and social networking. The init group strives to strengthen employee communication and bind them to their teams and the company through personal interaction, particularly during creative processes and customer projects. In this hybrid working model, it perceives an ideal combination of the advantages of mobile working with the benefits of close interaction in the office.

Health initiatives

The init group actively fosters health and safety in the workplace. Since 2020 already, (online) sports courses have been offered to keep our employees fit and promote their good health, such as back exercises and eye yoga, to counter the typical health problems associated with office work, such as sore backs or stress-related diseases. Feedback on these activities was regularly obtained from the workforce in the form of direct interviews and a survey, whose results underscored the importance and effectiveness of such offerings.

As part of the extensive engagement to foster the well-being of the workforce, psychological first-aid was also provided at selected locations by specially trained employees who are able to offer support and counsel in crisis situations.

In addition, preventive training is provided that specifically targets the most frequent accidents or work-related health problems, offering ways to reduce their incidence or avoid them altogether, e.g. by designing workplaces ergonomically and providing safety instruction.

Work-life balance

A number of actions tailored to the individual circumstances of our workforce are offered in order to foster the best possible work-life balance. These include the flexible working hour models referred to above and the opportunity of remote working, both of which enable a better work-life balance. Furthermore, managers can also work part-time to adequately meet their private obligations, depending on the current phase of life they are in. To encourage individual rest and relaxation, those companies that can afford it from an operating perspective allow their employees every half year to decide if they need extra vacation and are willing to convert some of their salary into additional days vacation. Among other measures, init offers a one-off financial benefit upon the birth of a child in those countries that allow it, and also long-term support for childcare from kindergarten through to when the child has completed elementary school.

Last, but not least, such measures help to raise the appeal of the employer brand.

Training

The init group places great value on training measures that actively foster the personal development of its workforce and constantly tailor and upgrade the skills sets of its employees to operating needs. The training offers not only contribute towards winning and binding talent to the company, they also counter the risk of losing skilled workers by offering employees the opportunity to continuously develop personally and pursue their career goals within the company.

The effectiveness of these actions and employee retention is regularly assessed by analysing employee churn, employee surveys and holding exit talks. These indicators make it possible to identify trends and take targeted action to improve employee retention o ensure that it meets the expectations of employees, job applicants and the company itself.

Targets (S1-5)

No targets have been defined in the sense of the ESRS. Nevertheless, the risk of employee churn is countered by the existing measures and the continuous monitoring of employee satisfaction via regular performance reviews and direct exchange. The effectiveness of the policies and measures is ensured by discussing the matter with the employees. The kununu score serves as a central indicator of progress and employee satisfaction. init achieved a score of 4.0 out of a maximum of 5 in the reporting year (previous year: 4.1) and intends to retain this score in future.

Metrics

Characteristics of the undertaking’s employees (S1-6)

The init group relies on qualified and productive employees. Thanks to their experience and motivation, it is they who make a decisive contribution towards the company’s success and innovative strengths. Collecting the data and analysing the characteristics of the workforce make it possible to take the informed decisions needed to cultivate an inclusive and fair workplace culture.

Demographic characteristics of the workforce

The workforce in the 2025 reporting year consisted of 1,558 employees (previous year: 1,361 employees), which represents the headcount measured as an annual average of the permanent staff and limited term employees as well as temporary workers, research assistants and graduate students, broken down as follows:

Gender distribution

Only those countries are listed in which the init group has more than 50 employees. To the best of our knowledge, none of the employees of the group identify themselves as non-binary or have refrained from providing any information about their gender identity.

	2025		2024	
Country	female	male	female	male
Germany	366	831	294	747
USA	50	114	48	113

Figure 14: Gender breakdown of the workforce

By worker category

The number of employees without guaranteed hours consists of casual workers with whom no fixed hours have been arranged (e.g. “mini-jobbers” and student workers).

Headcount	2025 female	2025 male	2024 female	2024 male
Number of permanent employees	415	1,022	347	908
Number of limited-term employees	11	15	4	15
Number of employees without guaranteed working hours	41	54	32	55

Figure 15: Presentation of the workforce by employment contract, broken down by gender

A total of 183 employees resigned from the group in 2025 (previous year: 108 employees). This corresponds to employee churn of 12.5 per cent (previous year: 8.5 per cent). Employee churn is measured on the total number of voluntary resignations and other exits due to forced termination, retirement or death divided by the annual average total number of employees (excluding casual workers without guaranteed hours). The indicator has therefore risen on the previous year by 4.1 percentage points. The increase in employee churn can be attributed to structural changes within the company, including organisational adjustments and the associated personnel changes at individual entities. This effect is deemed to be temporary and does not reflect any fundamental change to the appeal of the company as an employer.

Special attention is paid to the respective reasons behind employee resignations to draw up targeted measures to improve the areas concerned.

Incidents, complaints and severe human rights impacts (S1-17)

	2025	2024
Reported cases of discrimination, including harassment	0	0
Number of complaints submitted	0	2*
Significant fines, sanctions and indemnification payments	0	0
Serious violations of human rights	0	0
Significant fines, sanctions and indemnification payments	0	0

Figure 16: Disclosure of information regarding complaints

* the complaints that were received concern suspected breaches of compliance. Neither of the complaints was connected to discrimination or human rights violations.

Governance

Effective governance lays the foundation for the long-term success of the business and its sustainability. It creates trust among investors, the workforce and other stakeholders and contributes towards reducing risk and improving business performance. Publishing governance matters improves transparency and aligns business practices with international best practices.

init identified three material IROs in the field of governance – “corporate culture fosters exchange and cooperation” and “whistleblower system to uncover and remedy irregularities” as positive impacts and “corruption and bribery” as a material risk.

The allocation of management functions assigns responsibility for compliance issues to the CFO. The central compliance department coordinates cooperation with the respective managements and legal departments of the group entities. The compliance management system is clearly based on the clearly defined responsibilities within the init group. The compliance and internal audit department reports directly to the Audit Committee and/or Supervisory Board.

Policies (G1-1), (G1-3), (G1-4)

Together with the Code of Conduct and the anti-bribery and corruption (ABC) policy, the Compliance Management System creates a framework for the daily activities of the group's workforce. The policies have been signed off by the Managing Board, which continues to monitor them. They apply to all employees without exception – across all teams, levels of the hierarchy, countries and separate entities of the group.

Ethical Guidelines

A strong corporate culture ensures that environmental and human rights matters are a permanent feature of corporate management. This creates transparency, reliability and has a long-term positive impact on people and the environment. As they establish the framework for the cultural development of the group, the ethical guidelines represent the ultimate guiding principle for the group and support the identified IROs. In these guidelines, init has summarized all the relevant legal and internal requirements concerning employees and their conduct. They therefore represent a binding code of conduct for the entire init group and, at the same time, can be applied to the entire value chain. As they are not only addressed to employees, but are also relevant to customers and business associates, they have been published on our website: Ethical Guidelines of init SE. Employees receive the Guidelines during their application already or, at the latest, when they join the company.

The Ethical Guidelines also contain a reference to the whistleblowing system of the init group. A labour-management agreement has also been put in place to this end. The workforce is called upon to report any breach or violation: either directly to the respective management, the HR department or trusted persons, or via the whistleblowing system of the init group, which is also available to outsiders. This contributes towards uncovering any irregularities along the value chain. This also extends to potential human rights issues upstream and downstream in the value chain where no own whistleblower system has been established.

Anti-bribery and corruption (ABC) policy

In accordance with its Ethical Guidelines, init maintains a "zero-tolerance" policy towards breaches of compliance, particularly in the case of corruption and bribery. Applying the "Prevent – Detect – Respond" approach, init's compliance management system ensures that compliance risks and incidents are treated carefully. The group-wide policies, standard operating procedures and associated training are used to prevent potential breaches of security and policies (Prevent). The group-wide controls and monitoring tools also allow the group to detect potential incidents at an early stage (Detect), analyse the causes and respond with the necessary improvements to the process (Respond). This also forms the basis of our group-wide ABC policy (IRO "corruption and bribery"), in accordance with the UN guidelines (e.g. United Nations Convention against Corruption (2008/801/EC), which was drawn up to prevent, detect and avoid corruption and bribery. Among other things, it lays out the proper conduct in dealings with officials, sets the methodological approach for due diligence reviews of our business partners and defines the rules on gifts, business entertainment and hospitality, as well as donations and sponsoring. The policy was provided directly to the executives of the group's companies and has also been published in the intranet.

Actions

Protection of whistleblowers

Not only the employees of the init group are called upon to report any kind of violation; the web-based whistleblower system (that supports the policies of the group) also serves customers, suppliers or other partners as an avenue to report any potential breaches. Whistleblower reports can, if desired, by made in complete anonymity. All information and data in the system is encrypted and only accessible to authorised persons in the init group. This ensures that the rights of the whistleblower are permanently protected. In accordance with Section 15 Whistleblower Protection Act (HinSchG), all reports from whistleblowers are immediately sent by the system to the independent reporting office at init SE, where they are reviewed and processed. Generally, the Independent Compliance Management Committee (ICMC) is responsible for initiating internal investigations and setting the actions needed to address whistleblower reports. The members of this committee are independent of the management chain affected by the matter. The ICMC decides on whether to initiate and conclude internal investigations on relevant violations; after concluding its own investigations, the committee decides on the actions to remedy any weaknesses in processes or controls that are identified and/or address any individual misconduct.

Internal Control System

The group-wide risk management system (RMS) and the internal control system (ICS) are conceived on the basis of the internationally recognised framework for internal control systems produced by the Committee of Sponsoring Organisations of the Treadway Commission (COSO Internal Control – Integrated Framework) and adapted on an ongoing basis. In this context, the init group set up a project to further strengthen the ICS in the 2024 financial year. This was continued in the 2025 financial year and the derived measures implemented. After this project phase, the revised ICS was transferred to a continuous improvement process, analogous to the RMS and CMS.

The ICS, which also serves to support the policies that have been implemented, involves analysing the individual processes in the companies on the basis of their risk priority, identifying potential risks and assigning corresponding controls. The results are documented in a matrix and regularly updated. The processes that are identified as requiring action are reported to the Managing Board. The Supervisory Board is informed about critical risks. The organisation's most significant preventive and control measures include the principal of dual control, which is set out for the entities of the group in a set of signature rules.

As part of risk management, a risk matrix of compliance-related topics is kept as a running tool. This is reviewed and updated each quarter in order to evaluate new topics, identify the need for action and derive measures for compliance with any laws and regulations.

Group-wide training measures (corporate culture, ethics and anti-corruption)

All the group's employees are regularly informed about init's Ethical Guidelines and trained in them at least once a year, via such media as the intranet, emails, meetings or a training tool (in either English or German, including a voiceover for web-based training). This training is a fixed component of the onboarding process. As a result, new employees are immediately assigned the training at the beginning of their employment. A group-wide training concept was drawn up in 2024 that contains various training measures, also for the 2025 financial year.

This culminated in specific training on the ethical guidelines being conducted in 2025, along with specific anti-corruption training and a session on "Handling public funds and subventions" for a targeted audience (selected participants). Moving forward, additional targeted training programs are intended, particularly for those employees who have contact to external business associates and have been empowered to sign contracts and are therefore particularly exposed to risk.

The employees in charge of the whistleblower system are themselves responsible for keeping up to date with the relevant developments and keeping their qualifications at a level commensurate with the task, by attending the appropriate training courses.

Governance targets

No governance targets have been defined in the sense of the ESRS as the existing policies and measures have already been established and are continuously improved and refined over time. For this reason, no quantifiable additional performance indicators have been defined at the present time. The existing measures underscore the relevance of the most significant topics for the init group. init strives to reach a training ratio (of >90 per cent).

Metrics (G1-3), (G1-4)

Moreover, the Managing Board stays in regular contact with the management of all the consolidated companies. At least once a year, the Managing Board members meet with the managing directors of the group companies. In the process, management awareness of the anti-bribery and corruption (ABC) rules and Ethical Guidelines is raised. The Supervisory Board members undertake training measures at their own initiative and with support from init SE.

Employee training on these topics is performed at the respective group entity either in connection with the training on the Ethical Guidelines or as part of the separate compliance training. A total of 91 per cent[13] of all employees in the init group completed a training course in the 2025 reporting year (previous year: 97 per cent). There were no criminal convictions for violations of the laws governing corruption and bribery in the 2025 reporting year and no fines were imposed on any of the init group entities in this regard.

	2025		2024	
	Employees	At-risk functions*	Employees	At-risk functions*
Training attendance				
Total	91%	93% (Anti-corruption)	97%	97% (Anti-corruption)
Training method and duration				
Face-to-face training	x	-	x	-
Web-based training	x	x	x	x
Frequency				
How frequent must training be?	Annually	Annually	Annually	Annually
Topics covered				
Ethical Guidelines	x	x	x	x
Preventing corruption	x	x	x	x

Figure 17: Anti-bribery and corruption (ABC) training

* init defines at-risk functions as those of managers and certain employees, especially those in sales and purchases who have been empowered to sign contracts.

Company-specific disclosures

Policies / Strategies

One of the most important objectives of the init group is the security of the systems it delivers and the data on transport operators, their workforces and their customers that such systems process. Special attention is

[13] figures last revised on 20 February 2026

placed on the availability of the systems, securing employee and end-user data as well as ensuring secure ticket sales. The ability of init to adapt its products in terms of the processing of personal data allows customers to operate safe system solutions that ensure compliance with data protection requirements.

As a result, the protection of sensitive information is a top priority at the init group. For this reason, the init group has committed to treating international laws, regulations and industrial standards on data protection and information security as key priorities. A robust security architecture is based on compliance with/certification of globally recognized standards, such as ISO/IEC 27001 and IEC 62443, European requirements for critical infrastructures, such as NIS-2, European requirements for cybersecurity in products, e.g. the CRA (Cyber Resilience Act), industry-specific requirements, such as TISAX (Trusted Information Security Assessment Exchange), certification of compliance with the information security standards of the VDA (German Association of the Automotive Industry), as well as system-specific rules and regulations, such as the Payment Card Industry Data Security Standard for the secure treatment of payment data. This commitment to high security levels is anchored in the information security policy of the group and is required of the entire group by the Managing Board and the management teams of the subsidiaries. The requirements and security goals recorded in the policy set the framework for comprehensive security measures in the form of the established group-wide guidelines, which are designed to meet customer expectations of init solutions and the legal requirements.

As part of this strategy, init established an information security management system (ISMS) that not only integrates data security but also data privacy concerns. The ISMS of init comprises guidelines, procedures and extensive risk management. The guidelines on information security established in this policy framework have the goal of avoiding breaches of data protection and the consequential losses for the reputation of the init group. The identified risk and established security measures relate solely to the processing of data (IRO “Risk of a loss of reputation due to errors in data processing”). The information security guideline is valid for the entire init group. Compliance with the guideline is monitored by the ISMS which also communicates it to the workforce and improves it on a continuous basis and adapts it to accommodate any changes in the environment. The information security guideline covers the aspects of data privacy afforded by the General Data Protection Regulation, the requirements of the BSI (Federal Office for Information Security) on information security, as well as the internationally recognised ISO/IEC 27001 standard. A review is conducted on an annual basis in the form of an external monitoring and recertification audit to keep ISO/IEC 27001 certification.

The security organisation is continuously strengthened, with any identified risks assessed and action taken to implement the measures standardised. This drives forward implementation of the information security guideline at group level. Continuous development of the security organisation has the objective of anchoring information security and data privacy even more firmly in the corporate structures. Participation of init SE in the alliance for cybersecurity and membership in the UITP (Union Internationale des Transports Publics) Cyber Security Committee also foster the regular exchange of best practices and new threats in the transport sector.

Data protection and information security are already firmly anchored in the daily processes of the init group and are being continuously improved. Information security and data protection requirements are assessed at an early stage in all projects and considered in the design of init solutions. The high standard of our security measures is confirmed by extensive training, targeted monitoring, regular audits and external certifications. The init group has set itself the firm goal of optimising the established measures from day to day to ensure that the personal data of customers and employees are protected for the long term.

The information security guideline is supported by established measures, that minimise the risks to data protection and are designed to ensure early identification of potential risks. These measures make an important contribution to data security within the init group.

Procedures / actions / measures

Roles and responsibility.

Responsibility for data protection and information security lies with the Managing Board. A compliance and data protection team has been set up to handle the development of the requirements going forward. Security and compliance structures have been improved by the creation of new roles, such as Director IT Governance and Director Compliance as well as a group IT-Board.

Certifications and external audits

A key measure is the annual independent confirmation of the certifications of compliance with recognised standards, such as ISO/IEC 27001 and IEC 62443, that demonstrate that the established measures taken within the framework of the information security guideline have been complied with and are effective. This also serves to demonstrate to customers in the course of projects that security measures have been applied across the entire supply chain. This also allows the customers to demonstrate the security of their own supply chains. The objective underscores the obligation of the init group to continuously meet the highest security standards. This is demonstrated by the renewed ISO/IEC 27001 certifications awarded to the subsidiaries, INIT GmbH, IMSS GmbH, INIT Chesapeake, INIT Nottingham, HanseCom, DILAX DE, inola and the first-time certifications in 2025 of iris-GmbH and Mattersoft.

The init group regularly commissions external penetration tests and vulnerability scans from external providers at least once a year. These tests are applied not just to the internal IT structure, but also the products developed by the group and customer systems it hosts in order to demonstrate that the established procedures and measures have been implemented and are effective.

Monitoring and supervision

To ensure central monitoring, analysis and response to security incidents in real time, Security Information and Event Management (SIEM) and a Security Operations Centre (SOC) were installed in 2025 for the entire init group. In addition, the foundation was created to offer SOC/SIEM services for the customer projects conducted by init. Thanks to the use of monitoring, logging and alerting tools, potential threats, such as unusual systems access, irregular network activity, and vulnerabilities, are identified and assessed at an early stage, allowing countermeasures to be initiated. This accelerates the response to security incidents, minimises risks and contributes towards strengthening the information security strategy, thereby effectively reducing breaches of data protection (IRO “Risk of a loss of reputation due to errors in data processing”). In parallel, the internal control system of the init group was refined in 2025 to make the security measures more effective and the expanded controls were tested. The ICS expands the existing risk management by adding a test of the effectiveness of the measures taken to manage risk.

Training of employees and awareness

init trains its workforce on data protection and information security at least once a year. Specific training is offered for the various roles within the organisation, such as software development, marketing and HR. These measures are intended to train employees in how to handle sensitive data responsibly and raise awareness of the threats posed by Phishing and Social Engineering. From 2026, the platform used for carrying out awareness-raising measures will be harmonised to standardise the training materials and level of training. New requirements laid out in the NIS-2 and AI Regulation necessitate continuous revision and expansion of the training programme.

Supplier management

One element of the high security standards lies in the consistent management of relationships with suppliers to manage the risks related to the availability of services or the integrity of purchased components. Information security requirements are based on internal standards and passed on to suppliers in contracts and agreements. In this way, init establishes a consistent level of data protection along the entire supply chain. This also includes obtaining a commitment from all relevant data processors to observe the security standards established within the group.

When selecting new suppliers, init conducts a comprehensive supplier audit that also assesses the supplier's data protection goals in terms of confidentiality, integrity and availability. Stringent security requirements are applied to particularly critical suppliers, such as data centres, redundancy mechanisms for the climate control, power supply, network connections, physical access security to the site and computer rooms as well as possessing the relevant IEC/ISO 27001 certification. Due to the fact that the external service providers are contractually obliged to comply with the information security requirements of init, it is clear which measures need to be taken to protect sensitive data. In addition, annual service reviews are conducted to assess the services rendered.

Targets

The value assigned to data protection and information security is firmly anchored in the init group. The policies underlying the information security guideline are applied continuously and improved accordingly. Other than the above, the init group has not identified any ESRS (European Sustainability Reporting Standards) relevant targets within the framework of its data protection and information security initiatives. Internal assessments of the effectiveness of the requirements of the guideline have been established since 2024.

Metrics

The group-wide reporting tool for capturing ESG data has proven to be a successful tool for centrally evaluating information on the data protection and information security organisation of the entities of the init group. The quality of the data captured by the tool was further improved in 2025 to allow the results returned by the entities to be better compared with one another.

The reach and effectiveness of training measures is assessed by measuring both the attendance and the pass ratios, which are then recorded centrally in the init group. The attendance ratio measures the ratio of employees completing a course to the total headcount at year-end. The pass ratio measures the share of employees passing a course in ratio to those attending it. An attendance ratio of 90.3 per cent was attained in the 2025 financial year (2024: 73.4 per cent). The increase in the attendance ratio is primarily due to improvements in consolidating the data. Knowledge tests exhibit good results overall. Capturing 100 per cent of the results was not expected due to the on-going specification of the relevant target groups.

The results of the data survey are fed into the continuous improvement of the ISMS and allow the init group to develop its security structures in line with needs. The established procedures help init to identify any risks at an early stage and proactively respond with measures that effectively counter the threat.

Notes to the consolidated financial statements

Disclosure requirements and references

The following tables list all the disclosure requirements of ESRS 2 and three topical standards that are relevant to init and were used as a foundation to draw up the group sustainability report. The disclosure requirements of the topical standards E2, E3, E4, E5, S2, S3 and S4 have not been considered as they lie below the materiality thresholds. The tables can be used to access the information relating to a particular disclosure requirement in the group sustainability report.

Cross-cutting standards Disclosure requirement		Page	Additional Information
ESRS 2	**General Remarks**		
BP-1	General basis for preparation of the group sustainability statement	86	
BP-2	Disclosures in relation to specific circumstances	86	
GOV-1	The role of the administrative, management and supervisory bodies	103	
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	107	
GOV-3	Integration of sustainability-related performance in incentive schemes	108	
GOV-4	Statement on due diligence	108	
GOV-5	Risk management and internal controls over sustainability reporting	109	
SMB-1	Strategy, business model and value chain	89	
SMB-2	Interests and views of stakeholders	101	
SMB-3	Material impacts, risks and opportunities and their interaction with strategy and business model	98	
IRO-1	Description of the processes to assess materiality	93	
IRO-2	Disclosure requirements in ESRS covered by the group sustainability statement	144	
ESRS E1	Climate change		
ESRS 2, GOV-3	Integration of sustainability-related performance in incentive schemes	108	ESRS 2, GOV-3
MDR-A	Actions and resources in relation to material sustainability matters	122	
E1-1	Transition plan for climate change mitigation	122	
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	98	ESRS 2, SMB-3
ESRS 2, IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	93	ESRS 2, IRO-1
MDR-P	Policies adopted to manage material sustainability matters	121	
E1-2	Policies related to climate change mitigation and adaptation	121	
E1-3	Actions and resources in relation to climate change policies	123	
MDR-T	Tracking effectiveness of policies and actions through targets	122	
E1-4	Policies related to climate change mitigation and adaptation	122	
MDR-M	Metrics in relation to material sustainability matters	124	
E1-5	Energy consumption and mix	124	
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	124	
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	122	
E1-8	Internal carbon pricing	122	
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities		Not material

Cross-cutting standards Disclosure requirement		Page	Additional Information
ESRS S1	**Own workforce**		
ESRS 2, SBM-2	Interests and views of stakeholders	101	ESRS 2, SMB-2
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	130	ESRS 2, SMB-3
MDR-P	Policies adopted to manage material sustainability matters	131	
S1-1	Policies related to own workforce	131	
MDR-A	Actions and resources in relation to material sustainability matters	133	
S1-2	Processes for engaging with own workers and workers' representatives about impacts	133	
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	133	
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	134	
MDR-T	Tracking effectiveness of policies and actions through targets	136	
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	136	
MDR-M	Metrics in relation to material sustainability matters	136	
S1-6	Characteristics of the undertaking's own employees	136	
S1-7	Characteristics of non-employees in the undertaking's own workforce		Relevant from FY 2027
S1-8	Collective bargaining coverage and social dialogue		Not material
S1-9	Diversity metrics		Not material
S1-10	Adequate wages		Not material
S1-11	Social protection		Relevant from FY 2027
S1-12	Persons with disabilities		Not material
S1-13	Training indicators and skills development metrics		Not material
S1-14	Health and safety metrics		Not material
S1-15	Work-life balance metrics		Not material
S1-16	Remuneration metrics (pay gap and total remuneration)		Not material
S1-17	Incidents, complaints and severe human rights impacts	137	
ESRS G1	**Business conduct**		
ESRS 2, GOV-1	The role of the administrative, management and supervisory bodies	103	ESRS 2, GOV-1
ESRS2, IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	98	ESRS 2, IRO-1
MDR-P	Policies adopted to manage material sustainability matters	138	
G1-1	Business conduct policies and corporate culture	138	
G1-2	Management of relationships with suppliers		Not material
G1-3	Prevention and detection of corruption and bribery	138	
MDR-A	Actions and resources in relation to material sustainability matters	138	
MDR-T	Tracking effectiveness of policies and actions through targets	140	
MDR-M	Metrics in relation to material sustainability matters	140	
G1-4	Prevention and detection of corruption and bribery	140	
G1-5	Political influence and lobbying activities		Not material
G1-6	Payment practices	138	
	Company-specific disclosures		
MDR-P	Policies adopted to manage material sustainability matters	140	
MDR-A	Actions and resources in relation to material sustainability matters	142	
MDR-T	Tracking effectiveness of policies and actions through targets	143	
MDR-M	Metrics in relation to material sustainability matters	143	

Datapoints from other EU legislation

The following table contains the datapoints derived from other EU legislation as listed in Annex B of ESRS 2. They show where the datapoints can be found in our report and which have been classified as “not material”.

	Data-point	Disclosure requirement	SFDR ref.	Pillar-3 ref.	Bench-mark/ Legal ref.	EU Climate law ref.	Sec.	Page
ESRS 2 GOV-1	21 (d)	Board’s gender diversity	x		x			86
ESRS 2 GOV-1	21	Percentage of board members who are independent			x			103
ESRS 2 GOV-4	30	Statement on due diligence	x					108
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	x	x	x		Not available	
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	x		x		Not available	
ESRS 2 SBM-1	40(d) iii	Involvement in activities related to controversial weapons	x		x		Not available	
ESRS 2 SBM-1	40(d) iv	Involvement in activities related to cultivation and production of tobacco			x		Not available	
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				x		122
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned benchmarks		x	x			122
ESRS E1-4	34	GHG emission reduction targets	x	x	x			122
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	x					124
ESRS E1-5	37	Energy consumption and mix	x					124
ESRS E1-5	40/43	Energy intensity associated with activities in high climate impact sectors	x					124
ESRS E1-6	44	Gross Scopes 1, 2, 3 and Total GHG emissions	x	x	x			124
ESRS E1-6	53/55	Gross GHG emissions intensity	x	x	x			124
ESRS E1-7	56	GHG removals and carbon credits				x		122
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			x		Rele-vant from FY 2027	
ESRS E1-9	66 (a); 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk; Location of significant assets at material physical risk		x			Rele-vant from FY 2027	
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		x			Rele-vant from FY 2027	

	Data-point	Disclosure requirement	SFDR ref.	Pillar-3 ref.	Bench-mark/ Legal ref.	EU Climate law ref.	Sec.	Page
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			x		Rele-vant from FY 2027	
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	x				Not material	
ESRS E3-1	9	Water and marine resources	x				Not material	
ESRS E3-1	13	Dedicated policy	x				Not material	
ESRS E3-1	14	Sustainable oceans and seas	x				Not material	
ESRS E3-4	28 (c)	Total water recycled and reused	x				Not material	
ESRS E3-4	29	Total water consumption in m^3 per net revenue on own operations	x				Not material	
ESRS 2 – IRO-1 – E4	16 (a) i		x				Not material	
ESRS 2 – IRO-1 – E4	16 (b)		x				Not material	
ESRS 2 – IRO-1 – E4	16 (c)		x				Not material	
ESRS E4-2	24 (b)	Sustainable land / agriculture practices or policies	x				Not material	
ESRS E4-2	24 (c)	Sustainable oceans / seas practices or policies	x				Not material	
ESRS E4-2	24 (d)	Policies to address deforestation	x				Not material	
ESRS E5-5	37 (d)	Non-recycled waste	x				Not material	
ESRS E5-5	39	Hazardous waste and radioactive waste	x				Not material	
ESRS 2 SBM3 – S1	14 (f)	Risk of incidents of forced labour	x					130
ESRS 2 SBM3 – S1	14 (g)	Risk of incidents of child labour	x					130
ESRS S1-1	20	Human rights policy commitments	x					131
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			x			131
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	x					131
ESRS S1-1	23	Workplace accident prevention policy or management system	x					131

	Data-point	Disclosure requirement	SFDR ref.	Pillar-3 ref.	Bench-mark/ Legal ref.	EU Climate law ref.	Sec.	Page
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	x					133
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	x		x		Not material	
ESRS S1-14	EUR 88	Number of days lost to injuries, accidents, fatalities or illness	x				Not material	
ESRS S1-16	97 (a)	Unadjusted gender pay gap	x		x		Not material	
ESRS S1-16	97 (b)	Excessive CEO pay ratio	x				Not material	
ESRS S1-17	103 (a)	Incidents of discrimination	x					137
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	x		x			137
ESRS 2 SBM3 – S2	11 (b)	Significant risk of child labour or forced labour in the value chain	x				Not material	
ESRS S2-1	17	Human rights policy commitments	x				Not material	
ESRS S2-1	18	Policies related to value chain workers	x				Not material	
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	x		x		Not material	
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			x		Not material	
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	x				Not material	
ESRS S3-1	16	Human rights policy commitments	x				Not material	
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	x		x		Not material	
ESRS S3-4	36	Human rights issues and incidents	x				Not material	
ESRS S4-1	16	Policies related to consumers and end-users	x				Not material	
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	x		x		Not material	
ESRS S4-4	35	Human rights issues and incidents	x				Not material	
ESRS G1-1	10 (b)	United Nations Convention against Corruption	x					138
ESRS G1-1	10 (d)	Protection of whistleblowers	x					138
ESRS G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery law	x		x			140
ESRS G1-4	24 (b)	Standards of anti- corruption and anti- bribery	x					140

CORPORATE GOVERNANCE REPORT

With regard to the required declaration by the management, please refer to the Corporate Governance Report in the 2025 Annual Report which is also available on the Internet at https://www.initse.com under the tap Investor Relations – Corporate Governance.

CONSOLIDATED FINANCIAL STATEMENTS

of init innovation in traffic systems SE, Karlsruhe (IFRS)

CONSOLIDATED INCOME STATEMENT

for the 2025 financial year (IFRS)

EUR k	Notes no.	**01/01 to 31/12/2025**	01/01 to 31/12/2024
Revenues	4, 36	329,671	265,674
Cost of sales[1)]	5	-208,914	-167,267
Gross profit		**120,757**	**98,407**
Sales and marketing expenses	6	-34,759	-31,319
General administrative expenses	6	-36,521	-30,181
Research and development expenses	6, 21	-18,504	-13,850
Other operating income	7	2,195	3,769
Other operating expenses		-1,021	-906
Foreign currency gains and losses	8	329	-1,686
Expenses and income from associated companies	22	45	307
Earnings before interest and taxes (EBIT)		**32,521**	**24,541**
Interest income	10	238	355
Interest expenses	10	-3,823	-3,356
Earnings before taxes (EBT)		**28,936**	**21,540**
Income taxes	9, 23	-9,553	-6,357
Net income		**19,383**	**15,183**
thereof attributable to equity holders of the parent company		19,588	15,464
thereof non-controlling interests		-205	-281
Basic and diluted earnings per share in EUR	11	1.97	1.57

1) Thereof 609 EUR k (previous year 17 EUR k) adjustment according to IFRS 9

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the 2025 financial year (IFRS)

EUR k	**01/01 to 31/12/2025**	01/01 to 31/12/2024
Net income	**19,383**	**15,183**
Items to be reclassified to the income statement:		
Net gains (+) / losses (-) on currency translation	-6,384	3,322
Items not to be reclassified to the income statement:		
Actuarial gains (+) / losses (-) on defined benefit obligations (DBO) for pensions after taxes	666	274
Total other comprehensive income	**-5,718**	**3,596**
Total comprehensive income	**13,665**	**18,779**
thereof attributable to equity holders of the parent company	13,870	19,060
thereof non-controlling interests	-205	-281

CONSOLIDATED BALANCE SHEET

as of 31 December 2025 (IFRS)

Assets

EUR k	Notes no.	31/12/2025	31 Dec 2024
Current assets			
Cash and cash equivalents	14, 32	25,451	23,523
Marketable securities and bonds	15, 32	27	30
Trade accounts receivable	16, 32	44,604	47,803
Contract assets	16, 32	37,314	39,929
Receivables from related parties	35	42	40
Inventories	17	48,935	57,213
Income tax receivables		2,481	2,753
Other assets	18	8,866	6,674
Current assets, total		**167,720**	**177,965**
Non-current assets			
Property, plant and equipment and right-of-use assets	19	66,033	70,912
Investment property	20	1,117	1,124
Goodwill	21	15,512	13,326
Other intangible assets	21	52,550	44,105
Interests in associated companies	22	652	929
Deferred tax assets	23	5,662	2,538
Other assets	24	2,115	2,133
Non-current assets, total		**143,641**	**135,067**
Assets, total		**311,361**	**313,032**

Liabilities and shareholders' equity

EUR k	Notes no.	31/12/2025	31 Dec 2024
Current liabilities			
Bank loans	25, 32	32,523	39,418
Trade accounts payable	25, 32	21,276	13,580
Contract liabilities	16, 25	12,604	20,392
Advance payments received	25	3,335	1,597
Income tax payable	25	2,678	3,615
Provisions	28	3,181	4,319
Lease liabilities	27	5,395	5,020
Other liabilities	25, 26	21,095	19,661
Current liabilities, total		**102,087**	**107,602**
Non-current liabilities			
Bank loans	25, 32	25,374	29,973
Deferred tax liabilities	23	11,951	7,440
Pensions accrued and similar obligations	29	7,014	7,807
Provisions	28	1,531	1,748
Lease liabilities	27	21,421	24,150
Other financial liabilities	26	829	0
Non-current liabilities, total		**68,120**	**71,118**
Equity			
Attributable to equity holders of the parent company			
Subscribed capital	30	10,040	10,040
Additional paid-in capital	30	7,256	7,734
Treasury shares	30	-2,966	-4,463
Reserves and consolidated unappropriated profit	30	127,430	115,798
Other reserves	30	-642	5,076
		141,118	**134,185**
Non-controlling interests		36	127
Shareholders' equity, total		**141,154**	**134,312**
Liabilities and shareholders' equity, total		**311,361**	**313,032**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the 2025 financial year (IFRS)

	Attributable to equity holders			
Notes no.	30	30	30	
EUR k	Subscribed capital	Additional paid-in capital	Treasury shares	
As of 01/01/2024	**10,040**	**6,879**	**-5,441**	
Net income				
Other comprehensive income				
Comprehensive income				
Dividend paid out				
Addition to the reserves		7		
Share-based compensation		793	978	
Change in the basis of consolidation		38		
Acquisition of treasury shares				
Foreign currency translation		17		
As of 31/12/2024	**10,040**	**7,734**	**-4,463**	
As of 01/01/2025	**10,040**	**7,734**	**-4,463**	
Net income				
Other comprehensive income				
Total comprehensive income				
Dividend paid out				
Addition to the reserves		18		
Share-based compensation		-496	1,497	
Change in the basis of consolidation				
Acquisition of treasury shares				
Currency translation				
As of 12/31/2025	**10,040**	**7,256**	**-2,966**	

	of the parent company					Non-controlling interests	Shareholders' equity, total
	30	30					
		Other reserves					
	Reserves and consolidated unappropriated profit	Difference from pension measurement	Difference from foreign currency translation	Securities marked to market	Total		
	106,159	**-1,096**	**3,618**	**-1**	**120,158**	**408**	**120,566**
	15,464				15,464	-281	15,183
		274	3,322		3,596		3,596
	15,464	274	3,322		19,060	-281	18,779
	-6,913				-6,913		-6,913
	-7						
					1,771		1,771
	-3		13		48		48
	1,098		-1,054		61		61
	115,798	**-822**	**5,899**	**-1**	**134,185**	**127**	**134,312**
	115,798	**-822**	**5,899**	**-1**	**134,185**	**127**	**134,312**
	19,588				19,588	-205	19,383
		666	-6,384		-5,718		-5,718
	19,588	666	-6,384		13,870	-205	13,665
	-7,938				-7,938		-7,938
	-18						
					1,001		1,001
						114	114
	127,430	**-156**	**-485**	**-1**	**141,118**	**36**	**141,154**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the 2025 financial year (IFRS)

EUR k	**01/01 to 31/12/2025**	01/01 to 31/12/2024
Cash flows from operating activities:		
Net income	19,383	15,183
Income taxes	-9,553	-6,357
Net interest	-3,585	-3,001
Earnings before interest and taxes (EBIT)	32,521	24,541
Amortisation and depreciation	16,711	14,196
Gains or losses on the disposal of fixed assets	143	-275
Change in provisions and accruals	-2,016	-1,996
Change in inventories	5,793	-4,304
Change in trade accounts receivable and contract assets	-615	-17,417
Change in other assets not provided by / used in investing or financing activities	-2,299	468
Change in trade accounts payable	9,183	-2,168
Change in advance payments received and contract liabilities	-3,679	1,632
Change in other liabilities not provided by / used in investing or financing activities	3,311	1,652
Taxes received/paid	-8,942	-5,140
Interest received/paid	-2,467	-2,281
Other non-cash income and expenses	1,160	1,933
Net cash from operating activities	48,804	10,841
Cash flow from investing activities:		
Payments received on disposal of property, plant and equipment	326	1,130
Cash paid for investments in property, plant and equipment	-4,402	-6,628
Cash paid for investments in other intangible assets	-14,372	-11,485
Cash paid for investments in subsidiaries less cash acquired	-2,638	-7,136
Cash paid/received for financial assets	1,698	0
Cash received and cash paid for securities	2	2
Capital contributions and loans to associated companies	274	155
Net cash flows used in investing activities	-19,112	-23,962
Cash flow from financing activities:		
Dividend paid out	-7,938	-6,913
Payments received from bank loans	14,185	37,423
Redemption of bank loans	-25,679	-16,839
Payments of principal on lease liabilities	-5,841	-4,739
Payments of interest on lease liabilities	-556	-443
Net cash flows used in financing activities	-25,829	8,489
Net effects of currency translation and consolidation changes in cash and cash equivalents	-1,935	852
Change in cash and cash equivalents	1,928	-3,780
Cash and cash equivalents at the beginning of the period	23,523	27,303
Cash and cash equivalents at the end of the period	25,451	23,523

Presentation changed on the previous year. Additional information regarding the cash flow statement can be found in note 34.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

of init innovation in traffic systems SE, Karlsruhe (IFRS)

1. Company information

init innovation in traffic systems SE, Kaeppelestrasse 4–10, Karlsruhe, Germany, ("init SE") (local court of Mannheim HRB 727217) was established on 18 August 2000 as the holding company of the init group. The init group is an international systems supplier of transportation telematics (telecommunications and information technology, internationally also called Intelligent Transportation Systems or ITS). init SE is a stock exchange listed company, ISIN DE0005759807, and has been in the regulated market (Prime Standard) since 1 January 2003.

2. Accounting principles

The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and adopted into EU law by the European Union (EU), as well as the additional requirements of the German Commercial Code (HGB) pursuant to section 315e Sec 1 HGB. The interpretations of the International Financial Reporting Interpretations Committee (IFRIC) applicable in the reporting year were also considered.

The consolidated financial statements are prepared in EUR. Unless otherwise stated, all figures are rounded to the nearest thousand euros (EURk).

The financial year of all consolidated companies ends on 31 December. The financial year corresponds to the calendar year. For the sake of clarity, some items of a similar nature in the profit and loss account and the balance sheet have been grouped together. These items are presented and explained separately in the notes.

The profit and loss account is prepared using the cost of sales method.

The consolidated financial statements have been prepared on a going concern basis, which assumes that the assets will be realised and liabilities settled in the normal course of business.

The consolidated financial statements are prepared in accordance with the historical cost principle. This does not apply to derivative financial instruments, securities and bonds, which are measured at fair value. Exceptions to this are presented in the summary of significant accounting policies.

The following standards became mandatory for the first time in the 2025 financial year.

Standard	Title
IAS 21	Lack of exchangeability

The above changes had no material impact on amounts recognised in previous periods, and none is expected in the current or future periods.

EU endorsement received

The International Accounting Standards Board (IASB) has published the following standards, which have already been introduced into European law in the context of a comitology procedure, but which were not yet mandatory for the 2025 financial year. The group decided not to early-adopt these standards.

Standard	Title	Adoption
IFRS 9 / IFRS 7	Amendments to the classification and measurement of financial instruments	January 2026
IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7	Annual Improvements	January 2026
IFRS 9 / IFRS 7	Contracts referencing nature-dependent electricity	January 2026
IFRS 18	Presentation and disclosure in financial statements	January 2026

IFRS 18 will be applied from the 2027 financial year. The effects of its application are currently being analysed in detail. Due to the new classification scheme for the income statement laid out in IFRS 18, extensive changes to the prior system will be required. IFRS 18 replaces IAS 1, 'Presentation of Financial Statements', and introduces the following key requirements: Companies must now classify all income and expenses in the income statement into one of the following five categories: operating activities, investing activities, financing activities, income taxes and discontinued operations. The first three categories are new. Companies must also disclose a newly defined subtotal of operating profit. Companies' net profit does not change.

Key performance indicators defined by management must be disclosed in a single note to the financial statements.

Improved guidance on grouping information in financial statements is also provided.

EU endorsement outstanding

The IASB issued the following standards whose application was not yet mandatory in the 2025 financial year. These standards have not yet been endorsed into EU law and were not early-adopted by the group. They will be applied upon being endorsed by the EU.

Standard	Title	Publication by IASB
IFRS 19	Subsidiaries without public accountability: disclosures	May 2024
IAS 21	Translation to a Hyperinflationary Presentation Currency	November 2025

Pillar 2 does not apply to init as it fails to meet the revenue threshold for application. Consequently, the corresponding disclosures have not been made.

3. Accounting policies and consolidation principles

Basis of consolidation

The consolidated financial statements comprise the financial statements of init SE and its subsidiaries as of 31 December 2025. Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the group controls an investee if, and only if, the group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the group has less than a majority of the voting or similar rights of an investee, the group considers all relevant facts and circumstances in assessing whether it has power over an investee. This includes:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The group’s voting rights and potential voting rights

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date on which the group gains control until the date the group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the group and to the non-controlling interests. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Name	Registered office	**Share as of 31/12/2025**	Share as of 31/12/2024
Fully consolidated companies			
INIT Innovative Informatikanwendungen in Transport-, Verkehrs- und Leitsystemen GmbH[1] (INIT GmbH)	Karlsruhe, Germany	100%	100%
INIT Innovations in Transportation Inc. (INIT Chesapeake)	Chesapeake, Virginia, USA	100%	100%
INIT Innovations in Transportation (Eastern Canada) Inc. / INIT Innovations en Transport (Canada Est) Inc. (INIT Montreal)	Montreal, Canada	100%	100%
INIT Innovations in Transportation (Western Canada) Inc. (INIT Toronto)	Toronto, Canada	100%	100%
INIT PTY LTD (INIT Brisbane)	Brisbane/Queensland, Australia	100%	100%
Init Innovation in Traffic Systems FZE (INIT Dubai)	Dubai, United Arab Emirates (UAE)	100%	100%
INIT Mobility Software Solutions GmbH[1] (IMSS GmbH)	Karlsruhe / Hamburg, Germany	100%	100%
INIT Innovations in Transportation Ltd. (INIT Nottingham)	Nottingham, UK	100%	100%
INIT Swiss AG (INIT Neuhausen)	Neuhausen, Switzerland	100%	100%
INIT Asia-Pacific Pte. Ltd. (INIT Singapore)	Singapore	100%	100%
CarMedialab GmbH (CML)	Bruchsal, Germany	74.5%	74.5%
CarMedialab Corp. (CML Corp.)	Chesapeake/ Virginia, USA	74.5%	74.5%
TQA Total Quality Assembly LLC (TQA)	Chesapeake/ Virginia, USA	60%	60%
SQM Superior Quality Manufacturing LLC (SQM)	Chesapeake/ Virginia, USA	75%	75%
GO-1 LLC (GO-1)	Chesapeake/ Virginia, USA	100%	100%
iris-GmbH infrared & intelligent sensors (iris)	Berlin, Germany	100%	100%
iris-infrared & intelligent sensors NA, Inc. (iris Atlanta)	Atlanta, Georgia, USA	100%	100%
inola GmbH (inola)	Pasching, Austria	100%	100%
HanseCom Public Transport Ticketing Solutions GmbH (HanseCom)	Hamburg, Germany	100%	100%
INIT innovation in transportations NZ Limited (INIT Dunedin)	Dunedin, New Zealand	100%	100%
Mattersoft Oy (Mattersoft)	Finland	100%	100%
INIT Innovations in Transportations Ltd (INIT Maynooth)	Maynooth, Ireland	100%	100%
IRIS ASIA-PACIFIC PTY LTD (iris Melbourne)	Melbourne, Australia	100%	100%
Derovis GmbH (Derovis)	Berlin. Germany	100%	100%
iris intelligent sensing SASU (iris SASU)	Montbonnot-Saint-Martin, France	100%	100%
IHC IB Public Transport Solutions, Unipessoal LDA (Hansecom IB)	Lisbon, Portugal	100%	100%
Init Innovation Traffic Systems L.L.C. (INIT Dubai)	Dubai, United Arab Emirates	100%	100%
IRIS SMART TECHNOLOGIES SRL (iris SRL)	Verona, Italy	100%	100%
DILAX Intelcom GmbH (DILAX DE)	Berlin, Germany	100%	100%
DILAX Intelcom AG (DILAX CH)	Kreuzlingen, Switzerland	100%	100%
DILAX France SAS (DILAX FR)	Valence, France	100%	100%
DILAX Intelcom Ibérica S.L. (DILAX ES)	Madrid, Spain	100%	100%
DILAX Systems UK Ltd. (DILAX UK)	London, UK	100%	100%
DILAX Systems Inc. (DILAX CA)	Saint Lambert, Canada	100%	100%
DILAX Systems US Inc. (DILAX US)	Chicago/Illinois, USA	100%	100%
ViSenSys GmbH[2] (ViSenSys)	Dortmund, Germany	75%	-
INMODAL, PTY LTD (INMODAL)	Sydney, Australia	51%	-

1) Fully exempted pursuant to Section 264 (3) of the German Commercial Code (HGB)

2) Due to the put option described in the note on corporate transactions, the allocable ownership interest lies at 100 per cent

Name	Registered office	**Share as of 31/12/2025**	Share as of 31/12/2024
Associated companies (at equity)			
maBinso software GmbH (maBinso)	Hamburg	48%	48%

Company formations

No new entities were founded in the 2025 financial year.

Corporate transactions

On 29 October 2025, 51 per cent of the shares in INMODAL PTY LTD based in Sydney, Australia, was acquired by INIT PTY LTD, Brisbane, Australia, in the course of a capital increase. This entity is a brass plate company that has no active operations. The transaction did not have any impact on the financial position, financial performance or cash flows of the init group.

From 10 November 2025 DILAX Intelcom GmbH no longer had a controlling interest over the Public Spaces segment specialised in retail, shopping centres and event spaces due to its sale. This measure reinforces the focus on the core business of public transport. In the course of this transaction, the relevant shares in the allocated intangible assets, such as the customer base, order backlog and technology, as well as goodwill, were derecognised.

Effective 13 November 2025, Dilax Intelcom GmbH acquired a 75 per cent stake in the software company, ViSenSys GmbH, Dortmund (ViSenSys), which is specialised in visual AI and image processing. The objective of the acquisition is to expand the existing product portfolio by the addition of high-performance, camera-based video analytics. Due to the existing put and call option, ViSenSys has been fully consolidated.

The purchase price allocation was concluded in the fourth quarter of 2025 after all the relevant facts and circumstances had been obtained to measure the assets and liabilities of ViSenSys. On the date of acquisition of 13 November 2025, the fair values of the identified assets and liabilities of ViSenSys were as follows:

EUR k	
Assets	ViSenSys
Receivables and other assets	411
Inventories	106
Property, plant and equipment and right-of-use assets	19
Intangible assets (order backlog/technologies)	1,061
Total	**1,597**

EUR k	
Liabilities	
Liabilities	48
Provisions	65
Deferred tax liabilities	398
Total	**511**
Fair value of assets and liabilities	1,086
Goodwill	2,362
Consideration paid for the acquisition	**3,448**

Taking account of the existing put and call option, the consideration for the acquisition amounted to EUR 3,448k. Of this amount EUR 2,625k was paid in cash. Incidental transaction costs of EUR 58k were expensed in connection with the acquisition.

The fair value of the trade receivables amounts to EUR 207k. This corresponds to the gross amounts of the contractual receivables. We assume that the receivables are fully recoverable.

The acquired customer base was measured using the residual value method and recognised at a value of EUR 22k. The expected remaining lifecycle amounts to 2 years.

The acquired technology was measured using the relief from royalties' method and recognised at a value of EUR 1,039k. The expected remaining lifecycle amounts to 9 years.

Goodwill of EUR 2,362k is covered by the extra business expected to be generated by the expansion of the product portfolio, especially with new technologies in the field of AI-based video analysis systems.

In 2025, ViSenSys contributed revenue of EUR 29k and earnings before tax of EUR -15k to the consolidated financial statements. If ViSenSys had been consolidated as of 1 January 2025, its contribution to consolidated earnings would have been EUR 7k lower and revenue EUR 72k higher.

Consolidation methods

The annual financial statements of the fully consolidated companies are prepared according to the standard accounting and measurement principles of the group in line with the IFRSs on the same reporting date as the financial statements of the parent company. Where required, any financial statements prepared in accordance with local accounting regulations are adjusted accordingly. The consolidated financial statements comprise the company's and its subsidiaries' financial statements as of 31 December 2025. A subsidiary is a company that is controlled by the group. The group is considered to have control when it is exposed to, or has rights to, variable returns from its involvement with the company, and has the ability to affect those returns through its power over the company. Subsidiaries are consolidated from the date on which control is transferred to the group. They are deconsolidated from the date on which control ceases.

Business combinations are accounted for using the acquisition method. The acquisition costs of a business combination are calculated based on the consideration transferred and measured at fair value at the time of acquisition. Costs incurred as a result of the business combination are immediately recorded as expenses and reported in administrative expenses. In a business combination in stages, the previously held equity by the acquirer is remeasured at fair value at the date of acquisition and the resulting gain or loss is posted through profit or loss.

The agreed contingent consideration is reported at fair value at the acquisition date. In agreement with IFRS 9, subsequent changes to the fair value of any contingent consideration constituting an asset or liability are reported through profit or loss or in other comprehensive income. Contingent consideration classified as equity is not remeasured. Its subsequent payment is reported under shareholders' equity. Where contingent consideration does not fall within the scope of IFRS 9, it is measured in agreement with the relevant IFRSs.

Capital is consolidated by offsetting the acquisition cost against the group share in the revalued shareholders' equity of the consolidated subsidiaries at the time when control was acquired. The recognisable assets, liabilities and contingent claims and liabilities of the subsidiaries are recognised at their full market value irrespective of the amount of the non-controlling interests. Intangible assets are reported separately from the goodwill if they are separable from the company or result from a contractual right or other right. Any remaining debit differences arising from the initial consolidation are recognised as goodwill and subjected annually to an impairment test in line with IFRS 3 “Business Combinations” / IAS 36 “Impairment of Assets”. Any remaining credit differences are recognised through profit or loss immediately after acquisition. In the case of deconsolidations, the remaining carrying amounts of the credit differences are taken into account on a pro rata basis when calculating the gain or loss upon disposal. Measurement using the equity method is based on the same principles, but with goodwill reported in the carrying amount of the investment.

Receivables and payables as well as expenses and income between consolidated companies are offset against each other. Intercompany profits are eliminated from any assets originating from intercompany transactions. Deferred taxes are recognised on temporary differences arising from consolidation processes.

Currency translation

Transactions denominated in foreign currency and foreign operations are accounted for in accordance with IAS 21. The annual financial statements of all group companies are measured in the currency of the primary economic environment in which the respective company operates (the ‘functional currency’).

Transactions in foreign currency are translated into the respective functional currency of the reporting entity of the group using the exchange rates on the date of the transaction (historical rate). Monetary assets denominated in foreign currency are translated using the exchange rate on the reporting date (closing rate). Non-monetary assets and liabilities whose fair value is measured in a foreign currency are translated into the functional currency using the exchange rate on the date on which their fair value is measured. Foreign exchange differences are generally posted through profit or loss. Non-monetary items measured at historical cost are not adjusted.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments as a result of business combinations are translated from the functional currency of the group entities into EUR, the presentation currency of the parent company, using the closing rate. Functional currencies used by subsidiaries include the EUR, USD, CAD, GBP, SGD, AED, AUD, NZD and CHF. As a simplification, income and expenses of foreign operations are translated into EUR using the annual average exchange rate for the functional currency.

Equity is measured at the historical exchange rate on the date of the transaction.

Exchange differences arising from the translation of balance sheet items using the closing rate and from translating income and expenses using the annual average exchange rate are posted to net gains/losses on currency translation under other comprehensive income and presented in the balance sheet under “other reserves”.

The following key exchange rates are used for currency conversion:

	Closing price		Average price	
1 EUR	**31/12/2025**	31/12/2024	**2025**	2024
US-Dollar, United States (USD)	1.176	1.042	1.129	1.081
Dirham, United Arab Emirates (AED)	4.321	3.825	4.148	3.972
Pound, UK (GBP)	0.872	0.829	0.857	0.847

Estimates and assumptions

To a certain degree, the preparation of the consolidated financial statements requires estimates and assumptions to be made by the Managing Board that affect the amount of assets and liabilities reported on the balance sheet, the specification of contingent liabilities as of the reporting date, and the presentation of income and expenditure during the reporting period. In addition, a management assessment is required when it comes to deciding which information is relevant for the users of the consolidated financial statements and must therefore be included in the financial and non-financial reporting of init. Information on discretionary judgements exercised in the application of accounting policies that materially affect the amounts reported in the consolidated financial statements as well as estimates and assumptions are contained in the following disclosures in the notes. The following assessments are based on past experience and assumptions that are each considered to be appropriate. They are reviewed continuously but may still differ from the actual figures realised at a later date. Short-term and long-term assets and liabilities are generally classified based on their underlying remaining term.

Market risks due to geopolitical conflicts

Risks arising from the impacts of the current crisis due to the Russian war against Ukraine and the conflict in the Middle East are given due consideration in the process.

Climate related impacts

As part of its non-financial reporting, init conducted an analysis of its climate risks and resilience to climate change. All the assumptions made in the financial statements are based on the circumstances and assessments on the reporting date, which had generally remained unchanged compared to the time of the analysis. They do not reveal any indications of impairment of non-current assets or any need to materially change the residual useful lifespans of assets on the reporting date.

The most important forward-looking assumptions and any other significant sources of uncertainty in the estimations that exist on the reporting date which could give rise to the risk of having to adjust the carrying amounts of assets and liabilities in the next financial year are explained below.

Contract assets

Contract assets represent contractual rights to receive payments from customers for contractual performance obligations that have already been fulfilled but the rights are still conditional upon certain factors. Assumptions and estimates are required for the recognition and measurement of contract assets. There are uncertainties regarding their degree of completion, which depends on assumptions regarding the number of hours to be worked in future and the cost of materials. For further information, please refer to note 16.

Goodwill

Goodwill is examined for impairment at least once a year as of year-end or when facts or changes in circumstances indicate that the carrying value may have decreased. This test requires an estimation of the recoverable amount, which is deemed to be the higher of its value in use or the net realisable amount of the cash-generating units to which the goodwill is allocated. To this end, corporate management must estimate the foreseeable future cash flows of the cash-generating units and, in addition, must also select an appropriate discount rate in order to calculate the present value of these cash flows. For further information, please refer to note 21.

The init group comprises four cash-generating units (CGUs): the iris group, HanseCom, DILAX and the rest of the init group companies. The goodwill identified in connection with business combinations is allocated to these four CGUs as a group of cash-generating units in accordance with IAS 36.80. Impairment testing is performed at the level of the group, as goodwill is monitored at this level for internal management purposes. Goodwill acquired from business combinations as well as licences with an indefinite useful life are allocated to the group accordingly and tested there for impairment once a year.

Provisions

Provisions are recognised when a past event has resulted in a present obligation, their utilisation is more likely than not, and the amount of the obligation can be estimated reliably. Provisions are measured at their settlement amount and not offset against any profit margins. Provisions are only recognised for legal or constructive obligations towards third parties. Non-current provisions are discounted to present value.

Pensions and other post-employment benefits

The expenditure from defined benefit plans is calculated using actuarial methods on the basis of assumptions relating to discount rates, future wage and salary increases, mortality and future pension increases. Due to the long-term nature of these plans, such assumptions are subject to significant uncertainties. For further information, please refer to note 29.

Research and development expenses

Research and development expenses are incurred within the init group in the course of its internal research and development activities but also in the course of research and development cooperation and partnerships with third parties. Under IFRS, basic research does not meet the recognition criteria. By contrast, development expenses that meet certain defined recognition criteria must be recognised as internally developed intangible assets. init makes a distinction between basic development work and product development. If it is probable that the development activity will generate future economic benefits that will flow to the entity, the associated development expenses must be recognised. The recognition criteria are reviewed for each project and each contract. Product developments are recognised if the relevant recognition criteria are fully met. If development expenses are recognised, they are subject to the recognition, measurement and presentation policies applying to other intangible assets. Development expenses related to software are capitalised as per the accounting principles and measurement methods presented.

Development expenses are only recognised when the recognition criteria are met. This means the entity must intend and be able to complete the intangible asset, use it or sell it, and be able to demonstrate how the intangible asset will generate future economic benefits.

The costs that are directly allocable to the software include, among other items, employee benefits and an appropriate portion of the applicable overheads.

Development expenses that meet the recognition criteria are recognised as intangible assets and are amortised over their useful lifespan from the point in time from which the asset can be used.

Development expenses that do not meet the above recognition criteria are expensed through profit or loss.

Inventories

Inventories are required to be stated at the lower value of cost and net realisable value in accordance with IAS 2.9. Cost includes all direct and indirect costs incurred in production. Overheads are calculated on the basis of normal employment levels. To ensure measurement at the lower of cost or market, init measures the net realisable value of inventories by recording allowances based on past experience and analyses of previous projects. In addition to this standardised approach, init carries out an item-by-item review of its inventories. Typical reasons for recording a markdown on inventories include faulty products or technical obsolescence. Merchandise and finished goods are combined in one line item. Impairment losses are posted through profit or loss. Reference is made to our comments on inventories in notes 5 and 17.

Right-of-use assets and lease liabilities

The group uses its incremental borrowing rate to calculate the net present value of lease payments, as the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is determined using as reference the general interest level and the group's internal interest rates for loans of a comparable maturity and duration. The incremental borrowing rate is determined for each asset category.

When determining the term of a lease and setting its useful life, any options to extend or terminate the lease have to be considered. init deems the term of a lease to be the contractually agreed term plus any options to extend the lease that are highly likely to be exercised. Many leases contain extension and termination options. The group regularly reviews whether a significant event has taken place or there has been a significant change in circumstances that affects whether it is reasonably certain to exercise an option to extend or terminate a lease.

In particular, leases for office buildings contain extension and termination options with potentially significant impacts. Extension and termination options are taken into account once their exercise is seen as highly likely. Reference is made to the comments on right-of-use assets in note 19 and on lease liabilities in note 27.

Revenue recognition

init develops, manufactures, integrates, installs, maintains/supports and operates software and hardware for public transport companies and renders the related services. Revenues from contracts with customers are recognised at a point in time or over time, depending on when control over the goods or services is transferred to the customer. The group applies the five-step process in accordance with IFRS 15. This process involves identifying the contract with the customer and the separate performance obligations, determining the transaction price, allocating the transaction price to the separate performance obligations and recognising revenue upon fulfilment of the individual performance obligations. Revenue is recognised at the amount of consideration that the group is expected to receive in exchange for these goods or services. Key revenue streams have been identified to be the project business, maintenance and support as well as the delivery of goods business (supply projects, aftermarket and spare parts). The project business involves the following significant performance obligations: delivery and installation of a complete system including the related software and hardware components as well as the necessary development services. In the project business the performance obligations are measured on the basis of their inputs (cost-to-cost-method). The group has come to the conclusion that the revenue from delivering and installing a total system should be recognised over time as the group's performance creates an asset for which the entity has no alternative use and the entity has an enforceable right to payment for the performance completed. The group has concluded that the input-based method is best suited to determine the progress of installation services since there is a direct link between the group's work (hours worked and material processed) and the transfer of the service to the customer. Revenues are recognised in the group based on hours worked and the hardware components installed and purchased services to date in relation to the total expected hours worked, total hardware components and purchased services needed to satisfy the performance obligation. There may be individual dependencies between individual contracts, e.g., project contracts that are connected to maintenance and support agreements concluded at the same time. Maintenance and support is provided after successful completion of the project; consequently, diverse contract combinations are possible. Revenues for maintenance and support contracts are recognised over time. Revenues for non-project-related delivery of software and hardware are realised at the point in time when the risk of loss passes to the customer.

When determining the transaction price, the contractual terms with the respective customers are considered. It is assumed that contractually promised goods and services will be transferred to the customer and the contract will not be terminated, extended or changed. The transaction price is the consideration the group receives in exchange for transferring the promised goods or services.

Generally speaking, no variable consideration or bonuses are included in the arrangements entered into by the init group. However, penalties are often included in project contracts with customers. These penalties are weighted based on past probabilities and reduce the contract revenue. Based on experience the probability of them occurring is very low.

As a general rule, no financing components exist in the arrangements entered into by the init group. Taking into account the practical expedient provided in IFRS 15, the init group does not adjust the amount of promised consideration for the effect of any significant financing component since the agreed milestones within a project are generally less than a year apart. The difference between the performance of a contractual obligation and its payment is therefore within a year. Support and maintenance contracts usually have a term of five years and are paid quarterly or yearly.

For individual contracts the init group offers service-type warranties which contain extended guarantees. These are individually separable and are recognised over time and billed in line with the maintenance services. One group company offers the statutory warranty for the repair of defects that existed on the date of sale. Such assurance-type warranties are recognised in accordance with IAS 37 Provisions, contingent liabilities and contingent assets. Reference is made to the accounting policy on warranty provisions described in note 28 “Provisions”.

According to IFRS 15, the incremental costs of obtaining a contract and certain costs to fulfil a contract have to be recognised as an asset. In contrast to the previous year, the init group has incurred direct incremental costs of obtaining contracts which it has capitalised. The init group typically participates in calls to tender. As the duration of a call to tender can extend over several periods and the successful conclusion of the corresponding transaction is uncertain, the incremental costs of obtaining the contract are not generally recognised in cost. Travel expenses and the salaries of sales employees are expensed through profit or loss.

Depending on the contractual arrangements made with the customer and the clauses governing transport of the goods, control passes to the customer in the majority of cases when the goods are delivered to an agreed destination and at the point in time when they are picked up by the customer or handed over to a freight forwarder. Generally, it can be assumed that control passes to the customer when the customer can determine the use of the delivered product and obtain substantially all of the remaining benefits from the product and init no longer has this possibility.

Other indicators are also assessed in addition to determine the date on which control passes to the customer. For example, thought is given to when init obtains the right to receive payment for the product and when title to the product passes to the customer, in the wider sense, when the customer has the sole ability to access the product.

A contract liability is an obligation of the group to transfer goods or services to a customer for which the group has received or will receive consideration. Where a customer is required to pay a consideration before the group transfers goods or services to it, a contract liability is recognised when the payment is made or falls due. The usual terms of payment for our receivables are generally 30 days.

Income from operating leases for investment property is reported in other operating income and spread evenly over the entire term of the lease. Reference is made to note 20 for details.

Interest income is realised when earned.

Income from dividends is reported once the group has a legally enforceable claim to payment.

Government grants and European Union subsidies

Government grants and subsidies from the European Union are recorded if it has been established with reasonable certainty that the subsidies will be granted and the company meets the relevant requirements. When the grants relate to an expense item, they are recorded as income on a scheduled basis to offset them against the corresponding expenses that they are intended to compensate.

Financial instruments and other financial assets

The fair value of listed securities and bonds was determined by marking them to market. The fair value of derivative financial instruments and loans was calculated by discounting the expected future cash flow using the prevailing market interest rates. Given the short maturities of cash and cash equivalents, trade accounts receivable, other assets, trade accounts payable, and other liabilities, it is assumed that their fair value is equal to the book value.

EUR k ASSETS	IFRS 9 measurement category
Financial assets at amortised cost	
Cash and cash equivalents	At amortised cost
Trade accounts receivable	At amortised cost
Receivables from related parties	At amortised cost
Other financial assets (current)	At amortised cost
Other financial assets (non-current)	At amortised cost
Financial assets reported at fair value through other comprehensive income	
Marketable securities and bonds	At fair value through other comprehensive income
Financial assets measured at fair value through profit or loss	
Derivative financial instruments	At fair value through profit or loss
EQUITY AND LIABILITIES	
Financial liabilities reported at amortised cost	
Bank loans (current and non-current)	At amortised cost
Trade accounts payable	At amortised cost
Liabilities to related companies	At amortised cost
Other financial liabilities (current)	At amortised cost
Other financial liabilities (non-current)	At amortised cost
Financial liabilities measured at fair value through profit or loss	
Derivative financial instruments	At fair value through profit or loss

Cash and cash equivalents

The cash and cash equivalents comprise short-term, liquid funds with original maturities of less than three months from the date of acquisition.

Marketable securities and bonds

Securities are allocated to the category "At fair value through other comprehensive income". Following their initial recognition, these are reported at their fair value (exchange or market price), with gains or losses recognised as a separate revaluation reserve under equity.

Trade accounts receivable and contract assets

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. A receivable is recognised when there is an unconditional right to consideration from the customer (i.e., maturity occurs automatically through the passing of time). After initial recognition, receivables are measured at amortised cost less any impairment losses. For trade receivables and contract assets, init applies the simplified approach to calculate its expected credit losses. Therefore, init does not track changes in credit risk, but instead records an allowance for credit losses at each reporting date based on the expected credit losses (ECL) over their lifetime. The group has prepared an allowance matrix based on its past experience of credit losses, adjusted for forward-looking factors specific to the borrower and the economic environment. Likewise, impairment losses are also recognised on contract assets if penalties are foreseeable or indications of default by the borrower can be identified. Other gains and losses are recognised in profit or loss when the receivables are derecognised or impaired. Contract assets represent the balance of costs incurred plus the profits of unbilled projects less any payments received in advance.

Derivative financial instruments and hedge accounting

The group uses derivative financial instruments such as forward exchange contracts, currency options and swap transactions to hedge against interest change and currency risks. These derivative financial instruments are reported at their fair value at the time the contract is entered into and are subsequently measured at their fair value in following periods. Derivative financial instruments are reported as assets if their fair value is positive and as liabilities if their fair value is negative.

Gains or losses from changes in the fair value of derivative financial instruments that do not meet the hedge accounting criteria are immediately recognised through profit or loss.

The fair value of forward exchange contracts is determined with reference to the current forward exchange rates for contracts with similar maturity structures.

Hedge accounting is not currently applied by the group.

Inventories

Upon initial recognition, inventories are measured at cost. On the reporting date, they are measured at the lower of cost and net realisable value. Inventories of similar, inseparable inventories are measured using the weighted average cost formula. If the net realisable value of inventories which were previously written down by an impairment loss has since increased, the impairment loss is reversed to write the items back up, but not beyond their historical cost. The change in impairment and recovery is recognised through profit or loss. The production costs comprise both direct costs and the manufacturing and material overheads incurred in production, depreciation and other production-related expenses.

Property, plant and equipment

Unless recorded as right-of-use assets, property, plant and equipment are measured at acquisition cost less scheduled depreciation. The depreciation of historical cost follows the straight-line method over the following customary useful lives: These have remained unchanged on the previous year:

Buildings	25-50 years
Plant and machinery	3-5 years
Furniture, fixtures and office equipment	3-10 years

If there are indications of impairment, property, plant and equipment are tested for impairment in accordance with IAS 36.

Right-of-use assets

The group records right-of-use assets at the commencement date of the leased asset. According to IFRS 16.23, the commencement date is when the leased asset has been made available to the group by the lessor in a usable condition. Right-of-use assets are carried at cost less accumulated depreciation and impairment losses and are adjusted in the event of a revaluation of lease liabilities. The costs of right-of-use assets include the amount of recognised lease liabilities, the initial direct costs and lease payments made less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

Depending on their asset class, the following depreciation periods apply for right-of-use assets: These have remained unchanged on the previous year:

Office buildings	1-20 years
Vehicles	3-5 years
IT equipment	3-5 years
Other	2-10 years

Reference is made to note 19 for information on right-of-use assets and note 27 for information on lease liabilities.

Investment property

The land and buildings that serve to generate rental income from third parties are treated as investment property. They are measured using the historical cost method. Investment property is depreciated on a straight line basis over its actual useful life of 50 years.

Group as lessor

Leases of the group where all the opportunities and risks inherent in the property are not substantially transferred to the lessee, are classified as operating leases. The corresponding income is recognised on a straight-line basis over the term of the lease. There are no finance leases where the group acts as the lessor.

Other intangible assets

Other intangible assets include customer bases acquired in business combinations and licenses.

Intangible assets are measured at acquisition cost and amortised using the straight-line method over their useful life of three to ten years.

Development expenses meeting the recognition criteria are presented as internally-generated intangible assets in accordance with IAS 38. For more information on this matter, please refer to note 21.

Interests in associated companies

Interests in associated companies comprise investments in companies accounted for using the equity method. On acquisition, these are measured at cost. Subsequent measurement takes into account the investor's share in the results of the company, any profit distributions made and any impairments to be recognised on the equity investment. If there is objective evidence that the net investment in the associated company is impaired, it is tested as a whole for impairment in accordance with IAS 36. If the recoverable amount is less than the amortised carrying amount of the net investment, it is written down to the recoverable amount.

Impairment of non-monetary assets

Long-lived non-monetary and intangible assets are checked for impairment if events or changes have occurred which suggest that the carrying amount of an asset can no longer be realised. Goodwill and uncompleted intangible assets are tested for impairment once a year or if events or changes have occurred which suggest that the carrying amount of an asset can no longer be realised. Where the facts and circumstances indicate an impairment, the carrying amounts of the assets are compared with their estimated future income. For goodwill, this comparison takes place for the group as a whole, as the group consists of only one cash-generating unit. If necessary, the assets are written down to the lower of cost or market.

Current income tax assets and income tax liabilities

Current income tax assets include claims against the tax authorities arising from advance payments of corporate income tax and trade tax that have to be refunded to the companies concerned due to current losses. It also includes tax assets arising from advance payment that lie in excess of the imputed tax liability for the year. Current income tax liabilities consist of corporate income tax and trade tax liabilities for the reporting period and previous years that have not yet been assessed by the authorities.

Deferred tax assets and deferred tax liabilities

The company determines its deferred income taxes using the comprehensive balance sheet method. Accordingly, deferred tax assets and deferred tax liabilities are recognised in accordance with IAS 12 as income taxes to account for the tax consequences of differences between the balance sheet measurements of assets and liabilities and the corresponding tax assessment bases, as well as for the future utilisation of unused tax losses. The deferred tax assets and deferred tax liabilities are calculated on the basis of the prevailing tax rates for the taxable profit in the year in which the differences are expected to be reversed. The effect of changes in the tax rates on deferred tax assets and deferred tax liabilities is accounted for in the period in which the amendment of the law takes effect. Deferred tax assets are recognised on the unused tax losses carried forward by a subsidiary to the extent that taxable income is likely to be available, so that the loss carried forward can actually be used. The company calculates deferred tax liabilities on the difference between the pro rata share in the equity of a subsidiary in the consolidated balance sheet and the carrying amount of the investment in the tax balance sheet of the group (outside basis differences) if realisation is probable. The company can itself determine the timing of the profit distribution of subsidiaries or reinvestment and therefore recognises deferred taxes only on outside-basis-differences when a distribution is planned or foreseeable.

When the necessary conditions for netting deferred taxes within a tax group are given, deferred tax assets and deferred tax liabilities are netted.

Other non-current assets

The company held gold reserves in the 2024 financial year that were sold in the third quarter. The gold reserve was kept as an investment and held as an alternative form of payment. For this reason, changes in its fair value was considered on the reporting date. In the past, these fair value adjustments were posted through profit or loss.

Financial liabilities

Financial liabilities are recognised at amortised cost or at their settlement amount. They are derecognised when the obligation has been extinguished.

Lease liabilities (current and non-current)

init as lessee

The group applies a uniform approach and measurement policy to all leases (with the exception of short-term leases and leases for low-value assets). Short-term leases and leases of low-value assets are posted through profit or loss as incurred. Lease liabilities are recognised to present the payment obligations for leased assets. Right-of-use assets represent the right to use the underlying asset for the period specified in the lease agreement. For further information on right-of-use assets, please refer to note 19.

At the beginning of the lease, the group recognises lease liabilities, being the present value of the minimum lease payments to be made over the lease term. Lease payments include fixed rental payments for the leased assets less any lease incentives or a possible residual value guarantee. The group has no variable lease payments that are index-linked or rate-dependent.

Lease liabilities are remeasured if there is a change in the lease term, lease payments (e.g., change in future payments), or there is a change in the estimate as to whether it is reasonably certain that an option to extend will be exercised or not, due to a significant event over which the lessee has control.

For further information on recognised lease liabilities, please refer to note 27.

Pensions accrued and similar obligations

The pension provisions are calculated using the projected unit credit method for defined benefit plans, taking into account any future remuneration and pension adjustments. Actuarial gains and losses are reported directly in equity through other comprehensive income. Current and past service costs are recorded immediately through profit or loss.

The discount rate for the valuation of the obligations must be determined on the basis of returns, which are generated on the market for high-quality fixed-interest corporate bonds on the balance sheet date. According to the prevailing opinion, these are corporate bonds with an AA rating. The payments based on the obligations are generally calculated taking into account actuarial gains and losses and assumptions are discounted to the balance sheet date using the interest rate for instruments of an equivalent term. A yield curve is therefore used which, depending on the term, represents a yield for AA-rated corporate bonds.

Share-based compensation

Shares are granted in the framework of share-based payments. This involves measuring the fair value of the shares on the grant date and posting the expenses to personnel expenses. This necessitates an adjustment to additional paid-in capital. No options are granted.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

4. Revenues

Revenues are composed of the following amounts:

EUR k	2025	2024
Revenue from project business	163,061	135,895
Revenue from support and maintenance contracts	65,002	56,691
Revenue from deliveries of spare parts and replacements	101,608	73,088
Total	**329,671**	**265,674**

For a breakdown of revenues by region please refer to note 36.

5. Cost of sales

Cost of sales is composed as follows:

EUR k	2025	2024
Cost of materials and purchased services	109,685	80,130
Personnel expenses	72,613	65,553
Amortisation and depreciation	11,550	9,464
Rental expenses	2,090	1,643
Travel and entertainment costs	2,374	2,454
Valuation adjustments on inventories	95	306
Valuation adjustments on trade accounts receivable	609	-19
Other	9,898	7,736
Total	**208,914**	**167,267**

As in the previous year, vehicle costs as well as repair and maintenance expenses are included in the item “Other”. On the other hand, this item also includes income from the reversal of provisions of EUR 695k (previous year: EUR 2,095k).

6. Expenses of indirect functions

Sales and marketing expenses

EUR k	2025	2024
Personnel expenses	25,238	21,483
Amortisation and depreciation	2,411	2,266
Rental expenses	475	394
Travel and entertainment costs	1,717	1,503
Advertising expenses	1,839	2,841
Other	3,079	2,832
Total	**34,759**	**31,319**

As in the previous year, the "Other" item comprises sales-related legal expenses and consulting fees, vehicle costs and repair and maintenance expenses. It also includes the effect of offsetting income from the release of provisions.

General administrative expenses

EUR k	2025	2024
Personnel expenses	23,709	18,637
Amortisation and depreciation	2,743	2,445
Rental expenses	610	443
Travel and entertainment costs	839	863
Other	8,620	7,793
Total	**36,521**	**30,181**

As in the previous year, the "Other" item comprises legal expenses and consulting fees, vehicle costs and repair and maintenance expenses. It also includes the effect of offsetting income from the release of provisions.

Research and development expenses

Research and development expenses that fail to meet the recognition criteria of IAS 38 and consist mainly of personnel costs, are spread between the development of software and hardware as follows:

EUR k	2025	2024
Software	16,196	12,063
Hardware	2,308	1,787
Total	**18,504**	**13,850**

Research and development expenses lie at above the level of the previous year in absolute terms and result from the high intensity of basic development for new products and the continued evolution of existing products.

7. Other operating income

Other operating income consists primarily of government grants and grants from the European Union of EUR 666k (previous year: EUR 1,033k).Income from operating leases amounted to EUR 279k (previous year: EUR 287k). In addition, this item includes income from the disposal of property, plant and equipment of EUR 165k (previous year: EUR 310k). This line item also includes the fair value of the stocks of gold kept prior to its sale. Furthermore, income of EUR 225 thousand from the sale of the DILAX Public Spaces division is included. Until the sale in the previous year, this item also included the fair value measurement of the gold held, which had an impact on earnings.

8. Foreign currency gains and losses

EUR k	2025	2024
Balance of unrealised currency gains and losses	-1,081	211
Balance of realised currency gains and losses	1,410	-1,897
Total	**329**	**-1,686**

The realised and unrealised gains and losses largely result from the foreign currency translation of USD, AED and GBP exposures.

9. Income taxes

EUR k	2025	2024
Current income tax	8,345	4,194
Deferred income tax	1,208	2,163
Total	**9,553**	**6,357**

The tax expenditure resulting from the application of the tax rate of init SE is reconciled to income tax expenditure in the following table. The tax rate of the German companies of the init group is made up of corporate income tax of 15.0 per cent (previous year: 15.0 per cent) plus the 5.5 per cent solidarity surcharge, and trade tax of 15.75 per cent (previous year: 15.05 per cent). For other countries the tax rate varies between 9 and 28 per cent.

EUR k	2025	2024
Earnings before tax	28,936	21,540
Theoretical income tax expense at 31.0%	8,970	6,677
Tax rate differences for foreign subsidiaries	-1,757	-842
Tax effect of non-deductible / taxable expenses / income	194	305
Tax effects of tax-free savings schemes	-1,158	-1,764
Taxes relating to other periods	-216	-124
Effects of losses	310	284
Permanent differences from comparative balance sheet	-36	0
Tax rate changes	788	0
Other	1,082	1,821
Effective income tax expense	**9,553**	**6,357**
Effective income tax expense in %	**33.0**	29.5

The tax rate in 2025 lies above that of the previous year also above the theoretical tax rate of 31.0 per cent. This can be primarily attributed to effects from prior periods.

The reconciliation of the deferred tax assets and deferred tax liabilities to the deferred taxes reported in the consolidated income statement is presented below:

EUR k	2025	2024
Changes to deferred tax assets	-3.124	2,289
Changes to deferred tax liabilities	4,510	1,144
Offset and recognised in equity	-267	-1,220
Currency adjustments	89	-50
Deferred tax expense (+) / income (-)	**1,208**	**2,163**

10. Net gains and losses from financial instruments

Net gains from the other financial assets and liabilities are as follows:

Interest expense and income:

EUR k	2025	2024
Financial assets at amortised cost	238	355
Interest expenses from financial liabilities at acquisition cost	-2,703	-2,636
Interest expenses from pensions	-272	-261
Interest expenses from leases	-556	-443
Other	-292	-16
Total	**-3,585**	**-3,001**

Currency effects:

EUR k	2025	2024
Financial assets at amortised cost	1,458	-213
Financial liabilities at amortised cost	-377	2
Financial assets and liabilities measured at fair value through profit or loss	21	128
Total	**1,102**	**-83**

In addition to impairments and reversals of impairments, the net gains from the loans and receivables also include foreign currency effects.

The net gains and losses from the financial assets and liabilities reported at their fair value through profit or loss essentially include the results from changes in market value.

For information on impairments, please refer to note 16.

11. Earnings per share

Earnings per share are calculated by dividing the consolidated net income allocable to the shareholders of the parent company by the weighted number of shares outstanding (subscribed capital less treasury shares). Since init SE had not issued any stock options by the reporting dates, no diluted earnings per share are reported.

EUR k	2025	2024
Net income (shareholders of the parent company) in EUR k	19,588	15,464
Weighted average number of shares outstanding	9,931,138	9,868,398
Basic and diluted earnings per share in EUR	1.97	1.58

12. Paid and proposed dividends

EUR k	2025	2024
Ordinary dividends declared and paid during the financial year	7,938	6,913
Ordinary dividends proposed at the Shareholders' Meeting for approval (not reported as a liability on 31 December) Dividend for FY 2025: 80 cents per share (FY 2024: 80 cents per share)	7,964	7,938
Extraordinary dividends proposed at the Shareholders' Meeting for approval (not reported as a liability on 31 December) Extraordinary dividend for FY 2025: 10 cents per share (FY 2024: 0 cents per share)	995	0

13. Personnel expenses

Personnel expenses totalled EUR 139,782k (previous year: EUR 119,391k).

Cost of sales includes the following amounts:

EUR k	2025	2024
Wages and salaries	60,533	55,342
Social security contributions	10,399	8,637
Pension costs	1,082	1,195
Share-based payment expense	579	379
Total	**72,613**	**65,553**

Sales and marketing expenses include the following amounts:

EUR k	2025	2024
Wages and salaries	21,506	18,614
Social security contributions	3,084	2,312
Pension costs	374	322
Share-based payment expense	274	235
Total	**25,238**	**21,483**

General administrative expenses include the following amounts:

EUR k	2025	2024
Wages and salaries	20,239	15,915
Social security contributions	2,909	1,911
Pension costs	385	662
Share-based payment expense	176	149
Total	**23,709**	**18,637**

Research and development expenses include the following amounts:

EUR k	2025	2024
Wages and salaries	15,135	11,492
Social security contributions	3,094	2,075
Pension costs	13	151
Total	**18,242**	**13,718**

NOTES TO THE CONSOLIDATED BALANCE SHEET

14. Cash and cash equivalents

EUR k	2025	2024
Cash at banks (current accounts)	25,289	23,520
Short-term deposits (fixed-term deposits/call money)	162	3
Total	**25,451**	**23,523**

15. Marketable securities and bonds

This item refers to marketable securities and bonds with a total fair value of EUR 27k (previous year: EUR 30k). Due to being measured at fair value, securities and bonds were written down by EUR 1k (exchange price on the reporting date) through profit or loss.

16. Trade accounts receivable and contract assets

EUR k	2025	2024
Gross trade accounts receivable	46,074	48,802
Less cumulative loss allowances	-1,470	-999
Subtotal	44,604	47,803
Contract assets	37,314	39,929
Total	**81,918**	**87,732**

The loss allowances for trade accounts receivable developed as follows:

EUR k	2025	2024
As of 01/01	999	1,018
Addition	781	178
Utilised	-83	-55
Unused amounts reversed	-172	-161
Currency effects	-55	19
As of 31/12	**1,470**	**999**

The expenses from the addition to loss allowances for the year as well as the income from unused amounts reversed are included in the income statement under “Cost of sales”.

The value of contract assets is a result of multiplying the percentage of completion with the payments received in advance. Variable consideration, which primarily results from changes in the contract values, is recorded on a continuous basis in the concurrent project costing.

At the reporting date, there were no indications to suggest that any debtors of trade accounts receivable or contract assets would not meet their financial obligations as recognised in the accounts.

Project business

Revenue from project business that is recognised over time but not yet completed as of the reporting date is presented as follows:

EUR k	2025	2024
Costs incurred plus the results of unbilled projects	252,311	246,924
Less advance payments received	-228,357	-227,387
Balance	**23,954**	**19,537**
thereof: contract assets	37,314	39,929
thereof: contract liabilities	12,604	20,392

Performance obligations amounted to EUR 993,782k as of the reporting date. These break down as follows:

2026	2027	2028	2029	2030	> 2030
253,727	124,785	72,224	71,367	69,283	402,396

17. Inventories

EUR k	2025	2024
Raw materials, consumables and supplies	15,144	21,507
Goods and finished products	31,599	32,476
Advance payments to suppliers	2,192	3,230
Total	**48,935**	**57,213**

Merchandise and finished goods are combined in one line item on account of the production circumstances. The impairment loss was taken into account in the cost of sales (note 5).

18. Other current assets

EUR k	2025	2024
Prepaid expenses	4,664	4,176
Other tax refund claims	1,334	1,494
Due from personnel	105	198
Other	2,763	806
Total	**8,866**	**6,674**

The increase in prepaid expenses is mainly attributable to new support and maintenance contracts with a term beyond the end of the year as well as guarantees.

On the reporting date, there were no indications to suggest that the value of the other assets was impaired.

The tax refund claims are mainly input tax refund claims against other European states inside and outside the EU.

Other current assets include i. a. the incremental costs of obtaining contracts, which are expensed through profit or loss in accordance with the percentage of completion of the respective project.

19. Property, plant and equipment and right-of-use assets

Property, plant and equipment

EUR k	Land and buildings	Plant and machinery	Furniture, fixtures and office equipment	Prepayments and assets under construction	Total
Acquisition and production costs					
As of 01/01/2025	42,903	6,173	23,464	60	72,600
Additions in current financial year	60	932	3,388	22	4,402
Disposals in current financial year	37	32	973	72	1,114
Reclassifications in current financial year	4	0	-4	0	0
Currency differences	-1,577	-472	-535	0	-2,584
Change in the basis of consolidation	0	0	6	0	6
As of 12/31/2025	41,353	6,601	25,346	10	73,310
Amortisation and depreciation					
As of 01/01/2025	10,138	3,021	17,167	0	30,326
Additions in current financial year	1,423	604	2,871	0	4,898
Disposals in current financial year	37	2	821	0	860
Reclassifications in current financial year	0	0	0	0	0
Change in the basis of consolidation	0	0	5	0	5
Currency differences	-282	-255	-397	0	-934
As of 12/31/2025	11,242	3,368	18,825	0	33,435
Carrying amount as of 31/12/2025	**30,111**	**3,233**	**6,521**	**10**	**39,875**

The property, plant and equipment positions essentially concern the administration buildings at Kaeppelestrasse 4 and 4a in Karlsruhe, the building in Chesapeake, USA, as well as office equipment and technical equipment. Depreciation follows the straight-line method over the average useful life of the asset. Scheduled depreciation in 2025 totalled EUR 4,898k (previous year: EUR 4,892k) and is included in the consolidated income statement under “Cost of sales”, “Sales and marketing expenses” and “General administrative expenses”.

Currently there are no restrictions on the right of disposal. The loans for financing the two office buildings are fully secured by land charges of EUR 0.1m (previous year: EUR 0.4m).

EUR k	Land and buildings	Plant and machinery	Furniture, fixtures and office equipment	Prepayments and assets under construction	Total
Acquisition and production costs					
As of 01/01/2024	41,026	4,571	20,284	0	65,881
Additions in current financial year	608	1,381	3,364	1,275	6,628
Disposals in current financial year	678	152	785	42	1,657
Reclassifications in current financial year	1,172	64	228	-1,241	223
Currency differences	771	201	279	17	1,268
Change in the basis of consolidation [1]	4	108	94	51	257
As of 31/12/2024	42,903	6,173	23,464	60	72,600
Amortisation and depreciation					
As of 01/01/2024	8,813	2,543	14,428	0	25,784
Additions in current financial year	1,355	489	3,048	0	4,892
Disposals in current financial year	162	130	737	0	1,029
Reclassifications in current financial year	0	0	223	0	223
Change in the basis of consolidation [1]	0	0	0	0	0
Currency differences	132	119	205	0	456
As of 31/12/2024	10,138	3,021	17,167	0	30,326
Carrying amount as of 31/12/2024	**32,765**	**3,152**	**6,297**	**60**	**42,274**

1) Additions to the consolidation group due to DILAX acquisition shown on a net basis

Right-of-use assets

The carrying amounts of the right-of-use assets recognised in the balance sheet and the changes during the reporting period are presented below:

EUR k	Office buildings	Vehicles	IT equipment	Other	Total
Acquisition and production costs					
As of 01/01/2025	41,910	2,575	402	726	45,613
Additions in current financial year	2,638	1,107	45	40	3,830
Disposals in current financial year	622	493	68	14	1,197
Currency differences	-658	-2	-11	0	-671
Change in the basis of consolidation	20	0	0	2	22
As of 12/31/2025	43,288	3,187	368	754	47,597
Amortisation and depreciation					
As of 01/01/2025	15,466	1,103	137	269	16,975
Additions in current financial year	4,869	858	129	134	5,990
Disposals in current financial year	622	493	68	14	1,197
Change in the basis of consolidation	0	0	0	0	0
Impairment	4	0	0	0	4
Currency differences	-332	-3	0	2	-333
As of 12/31/2025	19,385	1,465	198	391	21,439
Carrying amount as of 31/12/2025	**23,903**	**1,722**	**170**	**363**	**26,158**

EUR k	Office buildings	Vehicles	IT equipment	Other	Total
Acquisition and production costs					
As of 01/01/2024	34,796	2,082	366	591	37,835
Additions in current financial year	6,817	1,002	10	125	7,954
Disposals in current financial year	1,558	583	163	0	2,304
Currency differences	253	1	9	-1	262
Change in the basis of consolidation	1,602	73	180	11	1,866
As of 31/12/2024	41,910	2,575	402	726	45,613
Amortisation and depreciation					
As of 01/01/2024	12,503	1,016	213	145	13,877
Additions in current financial year	4,137	669	84	125	5,015
Disposals in current financial year	1,558	583	163	0	2,304
Change in the basis of consolidation [1)]	0	0	0	0	0
Impairment	277	0	0	0	277
Currency differences	107	1	3	-1	110
As of 31/12/2024	15,466	1,103	137	269	16,975
Carrying amount as of 31/12/2024	**26,444**	**1,472**	**265**	**457**	**28,638**

1) Additions to the consolidation group through DILAX acquisition shown on a net basis

Right-of-use assets consist mainly of rented office buildings. This mainly pertains to the buildings of init SE at Kaeppelestrasse 6 in Karlsruhe with a right of use of EUR 10,865k as of year-end 2025, and iris-GmbH, Berlin with a right of use of EUR 4,145k and DILAX DE of EUR 607k. The additions consist of leases of new buildings, the exercise of options to prolong leases of some other buildings and leases of vehicles.

For further information on specific topics of IFRS 16, please refer to notes 26 and 27.

The residual value of property, plant and equipment and right-of-use assets amounted to EUR 66,033k (previous year: EUR 70,912k).

20. Investment property

EUR k	2025	2024
Acquisition costs as of 01/01	1,358	1,635
Additions in financial year	0	0
Disposals in financial year	0	291
Reclassifications to property, plant and equipment in the financial year	0	0
Currency differences	0	14
Acquisition costs as of 31/12	1,358	1,358
Depreciation as of 01/01	234	284
Additions in financial year	7	21
Disposals in financial year	0	75
Reclassifications to property, plant and equipment in the financial year	0	0
Currency differences	0	4
Depreciation as of 31/12	241	234
Carrying amount as of 31/12	**1,117**	**1,124**

Composition of earnings from investment property during the reporting period:

EUR k	2025	2024
Rental income from investment property	279	287
Direct operating expenses* used to generate rental income	18	33

* including maintenance and repair

The group does not face any restrictions on the disposal of investment property, nor does it have any contractual commitments to purchase, build or develop any investment property.

Investment property is measured at amortised cost plus incidental costs and recognised on the balance sheet at a carrying amount of EUR 1,117k (previous year: EUR 1,124k). The buildings are depreciated on a straight-line basis over a useful life of 50 years.

One investment property was sold in the previous year. This led to a disposal of the historical costs of EUR 291k and the associated depreciation of EUR 75k. Income from the disposal of this asset came to EUR 79k and was in the previous year presented under other operating income.

The fair value at the end of the reporting period approximately corresponds to the carrying amount and was determined using the discounted cash flow method. The measurement of investment property is dependent upon the assumptions used to calculate future cash flows. Changes in the interest rate, the expected price developments and market conditions affect the future cash flows and, in consequence, the amount of the fair values.

The operation, maintenance and care of the land and buildings are handled by the respective tenants, who also bear the related costs.

21. Goodwill and other intangible assets

EUR k	Goodwill	Internally generated software / product developments	Customer base	Licenses	Total
Acquisition and production costs					
As of 01/01/2025	13,326	33,259	31,596	11,154	89,335
Additions in current financial year	0	13,940	0	432	14,372
Disposals in current financial year	-9	227	0	7	225
Change in the basis of consolidation [1)]	2,186	-325	-809	1,060	2,112
Currency differences	0	0	0	-74	-74
Reclassifications	0	0	0	0	0
As of 12/31/2025	15,521	46,647	30,787	12,565	105,520
Amortisation and depreciation					
As of 01/01/2025	0	8,971	15,915	7,018	31,904
Additions in current financial year	0	1,595	2,937	1,280	5,812
Disposals in current financial year	-9	13	0	7	11
Change in the basis of consolidation[1)]	0	-42	-189	0	-231
Currency differences	0	0	0	-16	-16
Reclassifications	0	0	0	0	0
As of 12/31/2025	9	10,511	18,663	8,275	37,458
Carrying amount as of 31/12/2025	**15,512**	**36,136**	**12,124**	**4,290**	**68,062**

EUR k	Goodwill	Internally generated software / product developments	Customer base	Licenses	Total
Acquisition and production costs					
As of 01/01/2024	12,488	18,213	24,376	10,942	66,019
Additions in current financial year	0	11,322	0	162	11,484
Disposals in current financial year	0	0	0	143	143
Change in the basis of consolidation[1)]	838	3,724	7,220	155	11,937
Currency differences	0	0	0	36	36
Reclassifications	0	0	0	2	2
As of 31/12/2024	13,326	33,259	31,596	11,154	89,335
Amortisation and depreciation					
As of 01/01/2024	0	8,491	13,627	5,919	28,037
Additions in current financial year	0	480	2,288	1,223	3,991
Disposals in current financial year	0	0	0	134	134
Change in the basis of consolidation[1)]	0	0	0	0	0
Currency differences	0	0	0	8	8
Reclassifications	0	0	0	2	2
As of 31/12/2024	0	8,971	15,915	7,018	31,904
Carrying amount as of 31/12/2024	**13,326**	**24,288**	**15,681**	**4,136**	**57,431**

1) Additions to the scope of consolidation resulting from the DILAX acquisition have been presented on a net basis

Amortisation of other intangible assets and depreciation of property, plant and equipment of EUR 16,704k (previous year: EUR 14,175k) is included in the income statement under “Cost of sales” (EUR 11,550k), “Sales and marketing expenses” (EUR 2,411k) and “General administrative expenses” (EUR 2,743k).

The additions of internally-generated software and product developments during the financial year include development projects of EUR 13,940k. Internally-generated software and product developments of EUR 16,078k (previous year: 19,983k) are currently in the development phase and are not yet being amortised.

Goodwill is not tax deductible.

Impairment test of goodwill

To date, it has not been necessary to record any impairment on goodwill.

The recoverable amount of cash-generating units is determined on the basis of a calculation of their value in use using cash flow projections based on budgetary accounting approved by the Managing Board for a period of three years. The init group comprises four cash-generating units (CGUs): the iris group, HanseCom, DILAX and the rest of the init group companies. The goodwill identified in connection with business combinations is allocated to these four CGUs as a group of cash-generating units in accordance with IAS 36.80. Therefore, impairment testing of goodwill is performed at the level of the group. The before-tax interest rate applied for the discounting is 10.9 per cent (previous year: 12.1 per cent).

The following assumptions involve forecast uncertainties:

- Revenue
- Free cash flow
- Discount rate

Revenue: Revenue is planned on the basis of the order backlog, the open and announced tenders, offers made and past experience. Revenues are expected to grow in the detailed planning period (5 years). A growth rate of 1.0 per cent was applied for the period thereafter.

Free cash flow: Free cash flow is derived from the planned EBIT minus notional taxes, investments and changes in the net working capital as well as by adding back depreciation and amortisation. Historical figures are drawn on for this calculation.

Discount rate: The discount rate reflects the estimate of the company management with regard to the risks of the cash-generating units. Taking into account the peer group, an interest rate of 7.7 per cent (previous year: 8.3 per cent) was applied for the weighted average cost of capital. Cash flows arising after the period of five years are determined using a growth factor of 1.0 per cent (previous year: 1.0 per cent).

The reduction in the corporate income tax rate has been considered.

If revenue decreased by 93.7 per cent or if free cash flow decreased by 55.3 per cent, the recoverable amount of goodwill would match its carrying amount. An increase of 17.1 percentage points in the discount rate would also result in an equal match between the carrying amount of goodwill and its recoverable amount.

Sensitivity analysis on the assumptions

In order to assess the recoverability of goodwill, the group performs sensitivity analyses in the course of the impairment test. In doing so, assumptions considered possible, such as an increase in the interest rate, a reduction in planned sales, and a reduction in the planned free cash flow of the cash-generating unit, are taken into account for each planning year. An increase of 1, 2 or 3 percentage points in the interest rate, respectively, did not reveal any need to record an impairment loss on goodwill. Likewise, a respective decrease of 6, 9 or 12 percentage points in revenues compared to the baseline planning does not reveal any need to record an impairment loss on goodwill either. Likewise, a decrease of 6, 9 or 12 percentage points in free cash flow on the baseline planning did not reveal any need to record an impairment loss on goodwill.

Other intangible assets

Internally generated software and product developments

These internally generated intangible assets are recognised at amortised cost. Development expenses of EUR 13,940k (previous year: EUR 11,322k) were recognised as internally generated intangible assets in the financial year. Amortisation of EUR 1,595k was recorded on these items (previous year: EUR 480k). The remaining carrying amount therefore comes to EUR 36,136k on the reporting date (previous year: EUR 24,288k).

Customer bases and licenses

The licences include external software costs as well as programming and consulting of EUR 4,290k (previous year: EUR 4,136k). Amortisation of licenses amounts to EUR 1,280k (previous year: EUR 1,223k) and the amortisation of the ERP system to EUR 966k (previous year: EUR 939k).

Customer bases include the customer bases acquired during the acquisitions of iris-GmbH in 2016 of EUR 6,271k (previous year: EUR 7,952k), HanseCom in 2016 of EUR 322k (previous year: EUR 460k), Mattersoft in 2018 of EUR 259k (previous year: EUR 388k) and the DILAX Group in 2024 of EUR 5,273k (previous year: EUR 6,881k).

The associated amortisation amounts to EUR 2,937k (previous year: EUR 2,288k).

22. Interests in associated companies

The associated company maBinso software GmbH, Hamburg, is not publicly listed. The business of maBinso is the creation, sale and operation of software as well as the related consulting for public transport operators. Earnings after tax amounts to EUR 159k (previous year: EUR 640k). The pro-rata result of the init group for 2025 is EUR 45k. A distribution of EUR 274k was paid out in the 2025 financial year. Amortisation of investments in associated companies was not required. Total current and non-current assets amount to EUR 1,855k (previous year: EUR 2,375k), which corresponds to the balance sheet total. Total current and non-current liabilities amount to EUR 740k (previous year: EUR 783k).

23. Deferred taxes

Deferred tax assets and liabilities are allocable to the line items of the balance sheet as follows:

EUR k	2025	2024
Deferred tax assets		
Receivables	1,670	1,217
Inventories	3,960	6,052
Lease liabilities [1)]	8,294	9,022
Other assets	203	420
Provisions	1,135	579
Pensions accrued and similar obligations	458	731
Unused tax losses carried forward	13,903	6,561
Total deferred tax assets	**29,623**	**24,582**
Deferred tax liabilities		
Contract assets	12,784	7,861
Other assets	1,064	0
Property, plant and equipment	415	2,204
Technology and customer base	2,772	18
Other intangible assets	9,643	10,120
Other liabilities	1,130	259
Right of use[1)]	8,103	8,870
Total deferred tax liabilities	**35,911**	**29,332**

1) Previous year's figures adjusted for the recognition of deferred tax on leases

Deferred tax assets of EUR 13,903k have been recognised on the unused tax losses carried forward of EUR 48,247 (CIT) and EUR 45,999k (trade tax). Deferred tax liabilities exceed this sum and can be used to offset deferred tax assets. Furthermore, based on the business plan, it is assumed that the unused tax losses can be utilised in future.

As of 31 December 2025, unrecognised unused tax losses for corporate tax purposes amounted to EUR 7,546k (previous year: EUR 7,546k) and to EUR 6,871k (previous year: EUR 6,871k) for trade tax purposes. The resulting unrecognised deferred tax assets amount to EUR 2,235k (previous year: EUR 2,235k). Based on the planning projections, it cannot be expected that the unused tax losses will be utilized.

As of 31 December 2025, no deferred tax liabilities were recognised on the earnings retained by subsidiaries since no corresponding distributions are planned for the foreseeable future. If such distributions were made, the tax burden would be insignificant for the group.

Deferred tax assets and deferred tax liabilities of EUR 23,961k were offset against each other in the reporting period. For the balance sheet, this results in deferred tax assets of EUR 5,662k and deferred tax liabilities of EUR 11,951k.

The income tax assets of EUR 2,481k mainly relate to tax claims/benefits in Germany.

24. Other non-current assets

EUR k	2025	2024
Asset value of pension liability insurances	1,072	1,390
Security deposits*	825	691
Other*	218	52
Total	**2,115**	**2,133**

* Non-current financial assets

On the reporting date, there were no indications to suggest that the value of other assets which are not measured at fair value was impaired.

25. Liabilities

	31/12/2025			31/12/2024		
		Remaining term			Remaining term	
EUR k	Total	< 1 year	> 1 year	Total	< 1 year	> 1 year
Bank loans	57,897	32,523	25,374	69,391	39,418	29,973
Trade accounts payable	21,276	21,276	0	13,580	13,580	0
Contract liabilities	12,604	12,604	0	20,392	20,392	0
Advance payments received	3,335	3,335	0	1,597	1,597	0
Income tax payable	2,678	2,678	0	3,615	3,615	0
Other liabilities	21,924	21,095	829	19,661	19,661	0

Of the contract liabilities carried in the previous year of EUR 20,392k, almost all were settled in 2025.

Terms relating to the above financial liabilities

The bank loans of EUR 57,897k (previous year: EUR 69,391k) relate to loans originally used to finance the buildings at Kaeppelestraße 8/8a and 10, which is secured in full by land charges the resulting current portion amounts to EUR 138k (previous year: EUR 258k). Loans to finance acquisitions of EUR 14,725k (previous year: EUR 15,985k), innovation loans of EUR 17,580k (previous year: EUR 21,549k) as well as a short-term loan in the previous year of EUR 1,250k.

The following cash lines and bank guarantees are in place:

EUR k		Overall line	thereof cash line	thereof guarantee	thereof cash or bank guarantee
Banks	**2025**	119,032	302	14,418	104,312
Credit insurance companies	**2025**	126,768	0	126,768	0
Banks	2024	105,583	538	43,436	61,609
Credit insurance companies	2024	140,978	0	140,978	0

The cash lines and bank guarantees are sufficient to finance the operating activities of the company. In the event of continued rapid growth it may become necessary to arrange additional lines of finance. As of 31 December 2025, EUR 25,454k had been drawn on the cash lines (previous year: EUR 30,212k) and EUR 133,956k on the lines of bank guarantees (previous year: EUR 146,924k).

Of the total credit lines of EUR 245,800k available to the group (previous year: EUR 246,561k), an amount of EUR 86,390k had not been drawn (previous year: EUR 69,425k).

No interest is charged on trade accounts payable.

For the terms and conditions relating to trade accounts payable to related parties, please refer to note 35.

26. Other liabilities (current and non-current)

	31/12/2025			31/12/2024		
		Remaining term			Remaining term	
EUR k	**Total**	< 1 year	> 1 year	Total	< 1 year	> 1 year
Tax liabilities	5,012	5,012	0	3,938	3,938	0
Due to personnel	12,511	12,511	0	11,617	11,617	0
Social security liabilities	428	428	0	692	692	0
Sundry	3,973	3,144	829	3,414	3,414	0
Total	**21,924**	**21,095**	**829**	**19,661**	**19,661**	**0**

The current portion of other liabilities mainly relates to liabilities to minority shareholders, which must be reported as liabilities in accordance with IFRS. Non-current other liabilities mainly consist of liabilities from put options arranged in connection with business combinations.

27. Lease liabilities (current and non-current)

The maturities of discounted lease liabilities carried in the balance sheet are as follows:

As of 31/12/2025 EUR k	Office buildings	Vehicles	Minor IT equipment	Other	Total
Within 1 year	4,493	778	76	48	5,395
Between 1 and 5 years	10,947	978	103	103	12,131
More than 5 years	9,290	0	0	0	9,290

As of 31/12/2024 EUR k	Office buildings	Vehicles	Minor IT equipment	Other	Total
Within 1 year	4,207	649	124	40	5,020
Between 1 and 5 years	12,577	843	150	117	13,687
More than 5 years	10,463	0	0	0	10,463

Future lease payments (undiscounted) break down into the following maturity bands:

As of 31/12/2025	Office buildings	Vehicles	Minor IT equipment	Other	Total
Within 1 year	4,868	825	81	50	5,824
Between 1 and 2 years	4,189	618	48	42	4,897
Between 2 and 3 years	3,585	315	45	35	3,980
Between 3 and 4 years	2,597	78	13	26	2,714
Between 4 and 5 years	1,560	0	2	1	1,563
More than 5 years	9,921	0	0	0	9,921

As of 31/12/2024	Office buildings	Vehicles	Minor IT equipment	Other	Total
Within 1 year	4,658	696	134	42	5,530
Between 1 and 2 years	4,454	489	75	38	5,056
Between 2 and 3 years	3,882	295	42	32	4,251
Between 3 and 4 years	3,279	85	39	28	3,431
Between 4 and 5 years	2,271	0	3	21	2,295
More than 5 years	11,231	0	0	0	11,231

The annual lease liabilities of the init group total EUR 4,868k, of which EUR 645k is attributable to the rented office building in Karlsruhe (lease expires at the end of 2042).

The following table shows the carrying amounts of the lease liabilities and the changes during the reporting period:

EUR k	**2025**	**2024**
As of 1 January	**29,170**	**23,939**
Additions	3,487	9,970
Interest expenses	556	443
Payments	-6,397	-5,182
As of 31 December	**26,816**	**29,170**
thereof current	5,395	5,020
thereof non-current	21,421	24,150

The following amounts were recognised in profit or loss in the reporting period:

EUR k	**2025**	2024
Depreciation expense during the financial year	5,990	5,015
Impairments in the financial year	4	277
Interest expense on lease liabilities	556	443
Expenses relating to short-term leases	54	12
Expenses relating to leases for low-value assets	37	33
Total amount recognised in profit or loss	**6,641**	5,780

28. Provisions

EUR k	As of 01/01/2025	Currency differences	Utilised	Unused amounts reversed	Addition	**As of 12/31/2025**
Provisions for warranties	3,497	-107	807	644	1,123	3,062
Provisions for onerous projects	619	-7	31	163	150	568
Other provisions	1,951	-17	1,133	517	798	1,082
Total	**6,067**	**-131**	**1,971**	**1,324**	**2,071**	**4,712**

The provisions for warranties were calculated on the basis of a percentage of average sales in the past two years determined from empirical figures in the past. The assumptions made for the current period agree with those applied in the previous year. It is expected that the provision will be utilised within the coming

12 months. The provisions for non-contractual costs essentially consist of the costs of work to be performed on a goodwill basis for contracts with customers that have already been billed.

The provision for onerous contracts reflects the unavoidable costs to fulfil performance obligations on project contracts and has been calculated on the basis of the day-to-day cost accounting.

The remaining provisions consist of provisions for other project risks and obligations related to personnel.

29. Pensions accrued and similar obligations

There are both defined benefit plans and defined contribution plans in place for the employees of init SE, INIT GmbH, IMSS and DILAX DE. The liabilities include obligations from current pensions and for pension entitlements of future retirees. These pension commitments grant employees an old-age pension (independent of salary) after attaining the age of 63 (Dr. Gottfried Greschner after departing the Managing Board of init SE and after departing as Managing Director of subsidiaries). Risks inherent to defined benefit plans are that they are affected by the capital markets and demographic change. In order to mitigate these risks only defined contribution plans have been offered for a number of years now.

The following parameters were taken into consideration:

Discount rate in per cent (previous year)	4.00 (3.37)
Biometric inputs	Klaus Heubeck's "Richttafeln G" (mortality tables) of 2018
Pension trend in per cent (previous year)	4.00 (4.00)
Employee turnover in per cent (previous year)	0.00 (0.00)

The company's pension provisions as of the reporting dates developed as follows:

EUR k	**2025**	2024
Defined benefit obligation (DBO) at the beginning of the year	8,250	8,079
Service cost	22	34
Interest cost	271	260
Actuarial gains (-) / losses (+)	-973	-401
Pension payments	-113	-106
Acquisition of the pension provision of DILAX DE	0	384
DBO at the end of the year	7,457	**8,250**
Plan assets	-443	-443
Pension provisions	7,014	**7,807**

The plan assets contain the asset value of pension liability insurance as well as deposits on a pledged account and developed as of the reporting date as follows:

EUR k	**2025**	2024
Fair value of the plan assets at the beginning of the year	443	443
Interest income from plan assets	0	0
Financial actuarial gains (+) / losses (-)	0	0
Contributions to the plan assets by the group	0	0
Fair value of the plan assets at the end of the year	**443**	**443**

With regard to the defined benefit plans, the expenses for pension payments consist of the following:

EUR k	2025	2024
Service cost	22	34
Interest cost	271	260
Expenses for pension payments	**293**	**294**

In the income statement, service costs are reported under “Cost of sales” (EUR 18k), “Sales and marketing expenses” (EUR 2k) and “General and administrative expenses” (EUR 2k) and the interest expense in the respective item of the same name.

EUR k	2025	2024
Accumulated actuarial gains carried under shareholders’ equity, after deducting deferred taxes	-156	-822

EUR k	2025	2024
Defined benefit obligation (DBO) as of 31/12	7,457	8,250
Experience adjustments	-434	-195

The pension provisions attributable to key management personnel totalled EUR 3,364k (previous year: EUR 3,774k). Of this, an amount of EUR 319k (previous year: EUR 389k) pertains to two former Managing Board members.

Sensitivities of the principal actuarial assumptions

The interest rate as well as life expectancy have been identified as principal actuarial assumptions. Changes would have the following implications:

Implications for the DBO	+0.5% interest rate	-0.5% interest rate	+1 year life expectancy	-1 year life expectancy
2025	-385	423	127	-119
2024	-459	505	140	-132

The same method was applied to calculate the sensitivity of the DBO as that used to calculate the defined benefit obligation itself.

Asset / liability matching strategy

Pension insurance contracts of EUR 201k (previous year: EUR 201k) have been entered into to cover risks. A further EUR 242k (previous year: EUR 242k) has been deposited on a pledged bank account. Due to the small amount involved, the remaining obligations are financed from current cash flows.

Future cash flows

Expected pension payments (EUR k):

2026	2027	2028	2029	2030	2031/2035
457	465	485	489	497	2,467

Previous year

2025	2026	2027	2028	2029	2030/2034
452	462	471	490	494	2,506

The weighted average maturity of the DBO of the defined benefit plans is 12 years (previous year: 12 years).

Defined contribution plans

In the 2002 financial year, init changed its pension plan regulations for new commitments. Accordingly, the company no longer enters into any new direct commitments. The expense for defined contribution plans amounts to EUR 620k (previous year: EUR 550k). Of this amount, EUR 120k (previous year: EUR 202k) is attributable to key management personnel.

30. Equity

Subscribed capital

The capital stock consists of 10,040,000 no-par bearer shares with an imputed share of capital of EUR 1.00 each. The shares have been issued and are fully paid in.

Shares outstanding:

	2025	2024
As of 01/01	9,876,143	9,840,261
Issue of shares to Managing Board, managing directors and key personnel	46,321	35,882
Issue of shares to employees	8,714	0
As of 31/12	**9,931,178**	**9,876,143**

Shares of init SE held by members of the Managing Board and the Supervisory Board:

Managing Board	Number of shares	% of share capital
Dr. Gottfried Greschner, CEO *	3,471,000	34.57
Matthias Kühn, COO	24,330	0.24
Dr. Marco Ferber, CFO	6,950	0.07
Jörg Munz, CHRO	8,415	0.08
Martin Timmann, CRO	3,500	0.03

* Of this, 3,350,000 are held via Dr. Gottfried Greschner GmbH & Co. Vermögens-Verwaltungs KG, Karlsruhe.
Dr. Gottfried Greschner holds 74.2 per cent in this company.

Supervisory Board	Number of shares	% of share capital
Andreas Thun	2,200	0.02
Ulrich Sieg	0	0.00
Michaela Dickgießer	0	0.00
Christina Greschner	374,523	3.73
Dr. Johannes Haupt	8,200	0.08

Concerning the information provided pursuant to Section 33 (1) of the German Securities Trading Act (WpHG), please refer to note 43.

Conditional capital

The annual shareholders' meeting on 19 May 2021 passed a resolution on the possibility of utilising contingent capital totalling EUR 5,000,000 (Conditional Capital 2021). The capital stock of the company may be increased by up to EUR 5,000,000 by issuing up to 5,000,000 new no-par bearer shares. The contingent capital increase serves solely to grant shares upon the exercise of warrants or conversion rights, or upon fulfilment of option or conversion obligations, to the holders of the warrants or convertible bonds in accordance with the authorisation issued by the annual shareholders' meeting on 19 May 2021.

The new shares will be issued at the option or conversion price (issuing price of the share) set pursuant to the authorisation of 19 May 2021 (2021 authorisation). The conditional capital increase will only be carried out provided the holders of warrants from bonds with warrants or convertible bonds issued or guaranteed by 18 May 2026 by the company or companies in which it directly or indirectly holds a majority interest pursuant to the authorisation of 19 May 2021 exercise their option or conversion rights or meet their corresponding option or conversion obligations or the company exercises its substitution right. The new shares will participate in the profit from the beginning of the financial year in which they are created; if legally permissible, and notwithstanding this and Section 60 (2) AktG, the Managing Board may determine the profit share of new shares, even for a financial year that has already ended, with the approval of the Supervisory Board.

The Managing Board is authorised to determine further details of the implementation of the conditional capital increase with the consent of the Supervisory Board. The company did not make use of this authorisation during the 2025 financial year.

Authorised capital

By resolution of the annual shareholders' meeting of the company on 6 June 2024, the Managing Board is authorised, with the consent of the Supervisory Board, to increase the company's share capital by up to a total of EUR 1,004,000.00 by issuing 1,004,000 new no-par value bearer shares (Authorised Capital 2024), on one or more occasions or in partial amounts, within a period expiring on 5 June 2029. Of this amount up to 1,004,000 no-par value shares can be issued without voting rights. Capital can be increased by cash contribution or contribution in kind.

The Managing Board is further authorised, with the consent of the Supervisory Board, to exclude the statutory subscription right of shareholders in particular in the following cases:

- for a capital increase in return for a cash contribution of up to a total of 10 per cent of the share capital carried on the date that this authorisation takes effect and also on the date it is exercised, provided that the issue price of the new shares is not significantly lower than the stock exchange price of shares of the same class and equipped with the same features that are already listed Any shares issued or sold during the term of this authorisation that exclude the subscription rights of existing shareholders, applying Section 186 (3) sentence 4 AktG directly or indirectly, must be considered when measuring the limit of 10 per cent of share capital.

- when it is necessary to service the rights of bearers and/or creditors of conversion bonds and/or option rights or to service the obligations of debtors of conversion and/or option obligations on instruments that the company or a group entity issued, entitling the parties concerned to a subscription right to new shares to the scope they are entitled to upon exercising their conversion/option rights or settling their conversion/option obligations.
- for fractional amounts resulting from the subscription ratio
- in order to tap into additional capital markets
- for a capital increase in the generally understood interests of the company by way of contribution in kind for the acquisition of companies, parts of companies or equity interests in companies or other assets (even if a purchase price component is paid out in cash in addition to shares) or in the context of company mergers or acquisitions
- to transfer up to 250,000 new shares to employees

The company did not make use of this authorisation during the 2025 financial year.

Additional paid-in capital

Dividend-bearing ordinary shares are classified as equity. Any amount by which the fair value of the consideration received exceeds the par value of the issued shares is recognised in equity as capital reserves. Any additional costs that can be directly attributed to the issue of new shares are deducted from this amount and also recognised in capital reserves. If the company acquires its own shares, they are recognised at cost and deducted from equity. The additional paid-in capital on 31 December 2025 amounted to EUR 7,256k, of which EUR 3,141k resulted from the premium received on the shares sold at the time of the initial public offering. Additional paid-in capital was increased by EUR 514k through the sale of treasury stock in 2007. In the period from 2005 to 2025, a total amount of EUR 3,601k was transferred to additional paid-in capital to cover the expenses from share-based payments (see note 37). The change in 2025 results from the measurement of share-based payments as well as shares issued.

Treasury shares

On 22 May 2025, the Annual General Meeting authorised the company to acquire its own shares until 21 May 2030.

As of 1 January 2025, treasury stock comprised 163,857 shares. In the first half-year of 2025, 46,321 shares were transferred to the incentive scheme for members of the Managing Board, managing directors and key personnel with a five-year lock up period. In addition, 8,714 shares were issued to employees with a two-year lock up period. The number of treasury shares therefore came to 108,822 as of 31 December 2025. The company's treasury shares were valued at their cost price of EUR 2,966k (31 December 2024: EUR 4,463k) (cost method) and deducted from equity capital on the face of the balance sheet. The total of 108,822 treasury shares as of 31 December 2025 corresponds to an imputed share of EUR 108,822 (1.08 per cent) in the capital stock.

Reserves and consolidated unappropriated profit

The item reserves and consolidated unappropriated profit amounting to EUR 127,430k (previous year: EUR 115,798k) contains the revenue reserves carried by init SE and the retained earnings generated by init SE and its consolidated subsidiaries since group affiliation.

Other reserves

The group presents the effect of remeasuring pension provisions (pension revaluation reserve), the gains and losses of foreign currency translation (foreign currency translation reserve) and the effect of securities marked to market, all of which are posted directly to equity and not through profit or loss, under other reserves. The pension revaluation reserve records the actuarial gains and losses posted to other comprehensive income. The foreign currency translation reserve is used to record differences arising from translating financial statements denominated in foreign currency into the presentation currency. The reserve for securities marked to market records any changes in the fair value of equity instruments.

Capital management

The objective of capital management is to ensure financial flexibility for long-term business continuity and to secure strategic activities. In this regard, the init group focuses on securing liquidity, limiting the financial risks and maintaining a high equity ratio. The group has shown a consistently high equity ratio of over 40 per cent over the last few years. At the Shareholders' Meeting in 2021, a resolution was passed allowing the possibility of utilising conditional capital of EUR 5,000,000. Furthermore, a resolution for authorised capital of EUR 1,004,000 was passed by the Shareholders' Meeting in 2024. The authorisation applies for five years in each case.

31. Objectives and methods of financial risk management

The risk management function is employed within the group to address financial, operational and legal risks. Financial risks include market risk (such as foreign currency and interest rate risk), default risk, and liquidity risk. The most significant financial instruments used by the Group – with the exception of derivative financial instruments – consist of cash, securities and loans. The purpose of the securities and bonds is to invest the funds of the group. The group has a number of other financial assets and liabilities, including trade accounts receivable and payable, which accrue directly within the scope of its business activities.

Furthermore, the group may also acquire derivative financial instruments. These predominantly include forward exchange transactions and currency options. The purpose of these derivative financial instruments is the management of currency and interest risks resulting from the business activities of the group.

The group has always pursued the policy of refraining from trading in financial instruments and foreign currencies. However, since init also tries to keep its options open with regard to hedging currency risks, it may incur exchange losses.

The main risks of the group in regard to financial instruments include foreign currency risks and risks of default. Corporate management regularly reviews and monitors each of these risks, which are described more specified below.

Foreign currency risk

Due to foreign revenues, changes in exchange rates constitute a substantial risk. Currency risks arise for financial instruments that are denominated in a different currency to that in which they are measured. The Group operates internationally through locally based subsidiaries. These subsidiaries primarily conduct their operating activities in their respective functional currencies, resulting in a natural currency balance. To hedge the foreign currency risk, the group reserves the right to use forward exchange transactions for project business transactions. The hedges must be in the same currency as the underlying transaction. The group usually only enters into hedging transactions once a firm commitment has been made.

IFRS 7 provides that disclosures of market risks require sensitivity analyses that show the effects of hypothetical changes in risk variables on the operating result and equity. init is primarily exposed to a currency risk. The effects are determined by relating the hypothetical changes in the risk variables to the amount of financial assets and liabilities at the reporting date.

The sensitivities to an appreciation or depreciation of the euro are presented below:

	31/12/2025		31/12/2024	
Sensitivity in EUR k	+10% appreciation of the EUR	-10% depreciation of the EUR	+10% appreciation of the EUR	-10% depreciation of the EUR
Cash at banks, receivables and liabilities	-1,782	2,178	-962	1,176
Impact on earnings and equity	**-1,782**	**2,178**	**-962**	**1,176**

Risk of default

The group does not have any material risk of default concentrations. This is due, on the one hand, to the fact that over 90 per cent of the orders are publicly subsidised and, on the other, to the fact that the orders are usually paid on account or billed on the basis of predefined milestones. Furthermore, trade accounts receivable are checked at regular intervals for receipt of payment and dunned if necessary. Bad debts totalled EUR 83k in 2025 (previous year: EUR 55k). These resulted from previously impaired receivables that now constitute actual bad debts. Reference is made to note 16.

The gross carrying amount of trade receivables came to EUR 46,074k on the reporting date (previous year: EUR 48,802k) and breaks down by due date as follows:

	31/12/2025			31/12/2024		
Past due by	Receivables in EUR k	Default ratio	Specific loss allowance in EUR k	Receivables in EUR k	Default ratio	Specific loss allowance in EUR k
not past due	40,025	2.0%	1,247	42,891	2.0%	792
31 - 60 days	2,069	3.0%	59	2,061	3.0%	58
61 - 90 days	376	3.0%	13	1,496	3.0%	50
91 - 180 days	1,712	4.0%	67	849	4.0%	33
more than 180 days	1,892	4.0%	84	1,505	4.0%	66

The probability of expected credit losses on contract assets of EUR 37,314k (previous year: EUR 39,929k) is set at 0 per cent (previous year: 0 per cent).

All customers requesting transactions with the init group based on credit are subject to a credit check. Since the group concludes transactions only with recognised, creditworthy third parties, collateral is not considered to be necessary, also as this is not customary in our business environment.

The other financial assets of the group, which comprise cash, financial assets measured at amortised cost, and specific derivative financial instruments, involve a maximum risk of default that is equivalent to the carrying amount of the respective instruments in the event that the contracting party defaults.

Interest risk

The interest risk to which the group is exposed to mainly results from short term euro loans. Further risks can arise from interest rate changes on capital investments. At present an increase in interest rates of 0.5 per cent up or down would not have any significant impact on the net assets, financial position and results of operation of the init group, due to the small size of such transactions.

Liquidity risk

As of 31 December 2025, the financial liabilities of the group fell due as follows. The disclosures are based on contractual, non-discounted payments plus agreed or anticipated interest expenses (cash flows).

In order to mitigate liquidity risks, the liquidity of the init group is managed by corporate headquarters. The main aim is to ensure a minimum liquidity at each company to ensure solvency at all times. Our current projects and the active management of advance payments received provide the largest source of liquidity. In addition, the steady cash inflow from operating, support and maintenance contracts is becoming increasingly significant. In addition to these day-to-day cash inflows, the init group secures its liquidity risk using appropriate lines of credit that can be drawn as needed. For information on available credit lines, please refer to the comments in note 25.

As of 31 December 2025, the future cash flows relating to financial liabilities were as follows:

EUR k	Total	2026	2027	2028/2030	> 2030
Non-derivative financial liabilities					
Other financial liabilities	74,819	48,616	6,177	13,952	6,074
Lease liabilities	28,899	5,824	4,897	8,257	9,921

As of 31 December 2024, the future cash flows relating to financial liabilities were as follows:

EUR k	Total	2025	2026	2027/2029	> 2029
Non-derivative financial liabilities					
Other financial liabilities	86,552	56,580	6,712	13,927	9,333
Lease liabilities	31,793	5,529	5,056	9,977	11,231

32. Explanatory notes on financial instruments

Classification and fair values

The following table states the carrying amounts of the financial instruments of the group reported in the balance sheet on 31 December 2025 compared to 31 December 2024 and shows their classification to the corresponding measurement categories according to IFRS 9.

EUR k	2025	2024
ASSETS		
Financial assets at amortised cost	**107,411**	**111,295**
Cash and cash equivalents	25,451	23,523
Trade accounts receivable	44,604	47,803
Receivables from related parties	42	40
Contract assets	37,314	39,929
Financial assets reported at fair value through other comprehensive income	**27**	**30**
Marketable securities and bonds	27	30
Financial assets measured at fair value through profit or loss	**0**	**0**
EQUITY AND LIABILITIES		
Financial liabilities reported at amortised cost	**83,124**	**86,363**
Bank loans (current and non-current)	57,897	69,391
Trade accounts payable	21,276	13,580
Other liabilities (current)	3,122	3,392
Financial liabilities measured at fair value through profit or loss	**0**	**0**

Fair value hierarchy pursuant to IFRS 13

All assets and liabilities for which fair value is determined or reported in the financial statements are classified in the measurement hierarchy described below. This classification is based on the input factor at the lowest level that is significant to the overall fair value measurement.

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the fair values of assets and liabilities, and with the exception of those with carrying amounts, are reasonable approximations of fair values:

EUR k	Fair value as of 31/12/2025	Level 1	Level 2	Level 3
Financial assets measured at fair value through profit or loss				
Call-Option	149	0	0	149
Marketable securities and bonds	27	27	0	0

All investment property is allocated to Level 3 of the fair value hierarchy.

For further information regarding “Assets measured at fair value / Investment property” please refer to note 20.

EUR k	Fair value as of 31/12/2024	Level 1	Level 2	Level 3
Marketable securities and bonds	30	30	0	0

During the reporting periods ending 31 December 2025 and 31 December 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The fair value measurement of level-2 financial instruments in the reporting year and also in the previous year involved the following valuation technique: Derivative financial instruments are measured by discounting their expected future cash flows over the residual term of the contract and using their respective closing prices.

The measurement of fair value at Level 3 in the current financial year based on the following technique: The fair value was determined using the discounted cash flow method, taking into account the following parameters: price developments, discount rate and sales value of the properties.

33. Contingencies and other liabilities

Legal disputes

init SE and other group companies are involved in legal disputes connected with ongoing business operations that may have an impact on the group's financial situation. Litigation involves a number of variables, and the outcome of individual lawsuits cannot be reliably predicted.

The affected group companies have recognised provisions for risks in legal disputes in the balance sheet for events prior to the reporting date that are likely to result in a liability which can be estimated with reasonable accuracy. Reference is made to note 28.

At present there is no litigation that could have a significant impact on the financial performance, financial position and cash flows of the init group.

OTHER DISCLOSURES

34. Additional notes to the cash flow statement

In comparison to the prior year, some line items in the presentation of the cash flow statement have been adjusted to provide greater transparency. The subtotals remain unchanged.

Cash of EUR 274k (previous year: EUR 155k) was received from profit distributions from maBinso. Cash outflow for dividends paid to the shareholders of init SE totalled EUR 7,938k (previous year: EUR 6,913k).

The change in liabilities reflected in the cash flow from financing activities is presented in the following table:

			Non-cash-effective changes				
EUR k	01/01/2025	Cash-effective changes	Change in the basis of consolidation	Exchange rate changes	Additions to leases	Other adjustments	12/31/2025
Liabilities to banks	69,390	-11,494	0	0	0	0	57,896
Lease liabilities	29,170	-6,397	20	-365	4,388	0	26,816
Total	**98,560**	**-17,891**	**20**	**-365**	**4,388**	**0**	**84,712**

			Non-cash-effective changes				
EUR k	01/01/2024	Cash-effective changes	Change in the basis of consolidation	Exchange rate changes	Additions to leases	Other adjustments	12/31/2024
Liabilities to banks	45,345	20,584	3,461	0	0	0	69,390
Lease liabilities	23,939	-5,182	1,866	150	8,397	0	29,170
Total	**69,284**	**15,402**	**5,327**	**150**	**8,397**	**0**	**98,560**

35. Related party transactions

The companies included in the consolidated financial statements and the associated companies are listed in the section on the basis of consolidation.

	Associated companies		Other related parties	
EUR k	**12/31/2025**	12/31/2024	**12/31/2025**	12/31/2024
Trade accounts receivable and other income	192	183	0	0
Trade accounts payable and other expenses	1	0	762	775
Receivables as of 31/12	42	41	41	41
Liabilities as of 31/12	0	0	29	0

Other transactions with related parties

Related parties include persons in key management positions and their close family members.

In this regard, init SE leases its office building in Kaeppelestrasse 6 in Karlsruhe from Dr. Gottfried Greschner GmbH & Co. Vermögens-Verwaltungs KG, Karlsruhe (67.39 per cent) and from Eila Greschner (32.61 per cent). The monthly lease payments amount to a total of approximately EUR 54k (annual payment of EUR 642k) plus other payments made in connection with property, such as insurance and land tax.

In addition, total payments of EUR 5k (previous year: EUR 9k) made to family members of Managing Board members were recognised under personnel expenses. Furthermore, with regard to the Supervisory Board remuneration, we refer to section 40.

Furthermore, services of EUR 99k (previous year: EUR 100k) were received from Landsensor GmbH, which is wholly-owned by Mr. Andreas Thun.

Terms and conditions of business transactions with related parties

Transactions with related parties are conducted at market rates. No guarantees exist for receivables and payables in relation to related parties.

Remuneration of persons in key management positions

The members of the Managing Board and the Supervisory Board of init SE are considered to be persons in key management positions. For details on their remuneration, please refer to note 40.

Provisions for the variable remuneration of members of the Managing Board contain an amount of EUR 1,842k (previous year: EUR 2,333k) which will be settled in the short term.

There are open provisions for obligations towards the members of the Supervisory Board of EUR 374k (previous year: EUR 332k), which will also be settled at short notice.

36. Geographical information

In the consolidated financial statements, the following amounts can be allocated to the regions specified. In addition to Germany, the regions in which revenues were generated mainly include the rest of Europe (including the UK, Luxembourg, Ireland and Switzerland) and North America (USA and Canada).

Revenue 01/01–31/12

EUR k	2025	%	2024	%
Germany	95,729	29.0	89,337	33.6
Rest of Europe	77,973	23.7	59,219	22.3
North America	130,795	39.7	97,839	36.8
Other countries (Australia, UAE)	25,174	7.6	19,279	7.3
Group	**329,671**	**100.0**	**265,674**	**100.0**

The information on revenues given above is based on the customer’s location.

Non-current assets 31/12

EUR k	**2025**	**%**	2024	%
Germany	99,884	83.0	93,833	80.2
Rest of Europe	5,847	4.9	6,097	5.2
North America	13,765	11.5	16,089	13.7
Other countries (Australia, UAE)	856	0.7	1,051	0.9
Group	**120,352**	**100.1**	**117,070**	**100.0**

Non-current assets consist of property, plant and equipment, investment property, intangible assets and interests in associates.

37. Share-based compensation

Equity-settled management bonuses

A management bonus was granted to the Managing Board for the year 2025 in the form of 1,500 and 3,000 shares respectively, contingent upon the EBIT margin reaching at least eight per cent (measured against revenue). In addition, amounts of EUR 7,500 and EUR 15,000 respectively are paid for each 0.5 per cent addition to the EBIT margin above this target. The Company will distribute the total sum calculated on the basis of the EBIT margin to the members of the Managing Board in the form of additional shares. The actual number of shares is determined by the annual average closing price of init shares. The shares granted are subject to a lock-up period of five years. No shares are granted if the targeted EBIT margin is not reached. The number of shares is restricted to 5,000 and 10,000 respectively. The income tax on the pecuniary advantage of the share transfer is borne by the company.

No constructive obligation is established by bonuses extended in the form of share-based payments, even when paid in previous years. The bonus is revised and agreed each year by the Supervisory Board.

In addition, managing directors of subsidiaries of the company are paid a share-based bonus, the amount of which depends on the level EBIT. In the financial year 2025 a total of 46,321 shares (previous year: 35,882) were transferred to members of the Managing Board and other key personnel. They are barred from trading for five years. The taxes relating to the share transfer are borne by the group.

In the 2025 financial year, the valuation was based on 23,278 shares (previous year: 46,671). The fair value on the basis of the market price of these equity instruments issued for the benefit of the members of the Managing Board amounted to EUR 522k (EUR 44.40 per share) (previous year: EUR 1,115 k; EUR 37.40 per share) and EUR 507k (EUR 44.00 per share) (previous year: EUR 627 k: EUR 37.20 per share) for managing directors and key personnel. These amounts were recorded as expenses in 2025.

38. Subsequent events

A new management structure was established on 1 January 2026.

An essential factor of the business model of init is its day-to-day analysis of the current processes and the structures needed for a strategic alignment that raises the value of the business. The market is currently changing faster than ever before. Mastering this change will require identification of future-oriented areas for rationalisation or optimisation. This will be a critical factor in developing improvement strategies.

An analysis by the Managing Board revealed that the growing complexity in the init group, not least due to the acquisition of the DILAX Group in the 2024 financial year, paired with the current rapid growth, which is expected to continue in future, can no longer be effectively addressed by involving the Managing Board directly. The increasing complexity of the demands placed on public transport operators, due to such factors as climate change and decarbonisation, the electrification of vehicle fleets, budget uncertainties, rising passenger expectations and cybersecurity, are resulting in a change in the pattern of contracts put out to tender and demand. In response, the Managing Board decided to establish a new management structure effective 1 January 2026, that would do justice to identified demands. This involves a reorganisation of the business into three business units (BU):

- **INIT Integrated Systems**
- **INIT Cloud Solutions**
- **INIT Passenger Intelligence**

The management of each business unit exhibits greater proximity to the business, has the best information about customers, the market, the competition, trends, technology and sales & distribution logic. Consequently, it can implement successful strategies more rapidly. Moreover, the strengths of individual units will be bundled and together have a greater effect. The objective is to promote innovation in BU teams acting at their own initiative in order to support customer success and secure strong growth.

INIT Integrated Systems

The INIT Integrated Systems BU focuses on holistic systems and solutions with the objective of competing on the global market as a full-range provider to the public transport sector, able to install and operate large-scale integrated systems. This follows the perceived trend that ever more public transport operators are interested in transferring their services and operations to an init platform to ensure 24/7 technical service and a long-term state-of-the-art technology partnership ranging up to 20 years.

One such example is the extensive modernisation of the nationwide Global Telematic System (GloTel) in Luxembourg. The contract with ATP (Administration des Transports Publics) involved the migration of the existing intermodal transport control system to the next generation MOBILE ITCS nextGen solution from init as well as providing the hardware for 1,700 buses along with operation and maintenance support for five years. This allows monitoring and control of the RGTR (Régime Général des Transports Routiers) bus network run by private operators under contract for ATP. In addition, the system provides reliable passenger information. To ensure the greatest possible security of the state-of-the-art ITCS cloud technology, ATP and init decided to operate the central IT infrastructure in geo-redundant data centres located in Luxembourg. This ensures maximum system availability and comprehensive data security. In addition, init is supplying other operating services, such as hosting the entire system, software and hardware maintenance as well as monitoring the status of all system components. These include the automated passenger counting system, MOBILE-APC, consisting of counting sensors in the vehicles, passenger information presented on TFT infotainment displays and wireless data transfer to trigger priority at traffic lights. Moreover, at numerous bus stops waiting passengers are informed in real time of coming departures. A workflow and event management system is installed at the operations control centre as well as an analytical and statistics system, which is particularly useful for assessing the performance of the individual bus operators.

The subsidiaries, INIT GmbH (Karlsruhe/Germany), INIT Inc. (Chesapeake/USA) INIT Inc. (Montreal + Toronto/Canada), GO-1 LLC., SQM LLC, TQA LLC. (Chesapeake/USA), INIT Ltd. (Nottingham/UK, Maynooth/Ireland), INIT PTY LTD (Brisbane + Sydney/Australia), INIT NZ Ltd. (Dunedin/New Zealand), INIT FZE (Dubai/UAE) and INIT L.L.C. (Dubai/UAE) are all allocated to the INIT Integrated Systems business unit.

INIT Cloud Solutions

The INIT Cloud Solutions business unit focusses on software and data platforms with the objective of offering public transport operators of all sizes integrated software solutions and providing an increasing number of customers access to the cost benefits of using cloud-hosted systems. With Software-as-a-Service (SaaS) models from init, the required applications are hosted on an external cloud server and therefore accessible via the internet. Instead of purchasing software and installing it on individual devices, users instead subscribe to the service and can use it via a web browser or app. This generally includes regular updates and maintenance. As a result, they can also address unforeseen developments in later years, such as including self-driving cars in the network.

The solutions provided by the business unit also function as standalone components so that customers can effectively select exactly the modules that meet their needs. This saves public transport operators from the need to invest in their own server hardware and it also cuts their general IT expenditure, which is a great advantage when there is a shortage of IT specialists on the market. All init systems are provided as client systems. This means that each public transport operator is assigned as a client of the system. This model also offers the greatest possible flexibility as users can access the software from any location via an internet connection. In addition, the users of cloud-based init systems can rely on a high level of cyber security.

The INIT Cloud Solutions business unit consists of INIT Mobility Software Solutions GmbH (Hamburg + Karlsruhe/Germany), inola GmbH (Pasching/Austria), HanseCom GmbH (Hamburg/Germany), HC IB Public Transport Solutions, Unipessoal LDA (Lisbon/Portugal), Mattersoft Oy (Tampere/Finland), CarMedialab GmbH, (Bruchsal/Germany) and CarMedialab Corp. (Chesapeake/USA).

INIT Passenger Intelligence

The INIT Passenger Intelligence business unit focusses on intelligent components and advanced solutions for recording, analysing and evaluating passenger movements and flows to allow public transport operations to be optimised and monitored. This consists of both hardware, such as passenger counting sensors, cameras, recorders, monitors and video systems, as well as the software to analyse CCTV data, virtually in real time, such as passenger numbers, occupancy data, seating and AI-based events and aggression detection. As a result, traffic and vehicle situations can be planned and controlled more effectively. Furthermore, such systems also help to prevent vandalism, clarify incidents and improve passenger comfort and sense of security.

With these high-tech components, INIT Passenger Intelligence leverages the power of the data to make public transport more efficient, sustainable and safe.

The INIT Passenger Intelligence business unit comprises the subsidiaries, iris-GmbH (Berlin/Germany), iris Inc. (Atlanta/USA), iris intelligent sensing SASU (Montbonnot-Saint-Martin/France), iris Smart Technologies Srl (Verona/Italy), iris Asia-Pacific PTY LTD (Melbourne/Australia), Derovis GmbH (Berlin/Germany), DILAX lntelcom GmbH (Berlin/Germany) and its subsidiaries (France, UK, Switzerland, Spain, Canada, USA) and ViSenSys GmbH (Dortmund/Germany).

There have not been any other events after the balance sheet date that have a material impact on the financial performance, financial position and cash flows.

Other events

Against the backdrop of ongoing geopolitical tensions in the Middle East, the company is monitoring developments closely, particularly with regard to its subsidiaries in Dubai. At the time of preparing the financial statements, there was no apparent significant impact on business activities, net assets, financial position or results of operations.

39. Employees, Managing Board and Supervisory Board

Employees

The annual average number of employees breaks down as follows:

	2025	2024
Employees Germany	1,197	1,041
Employees Rest of Europe	154	120
Employees North America	177	173
Employees Other countries	30	27
Total	**1,558**	**1,361**

Managing Board

The following members make up the Managing Board of init SE:

Name, place of residence	**Function**
Dr. Gottfried Greschner, Karlsruhe	Chairperson / Chief Executive Officer (CEO)
Dr. Marco Ferber, Seeheim-Jugenheim	Chief Financial Officer (CFO)
Matthias Kühn, Karlsruhe	Deputy Chairperson / Chief Operational Officer (COO)
Jörg Munz, Kandel	Chief Human Resources Officer (CHRO)
Martin Timmann, Karlsruhe	Chief Revenue Officer (CRO)

Dr. Gottfried Greschner is a member of the foundation board of Majolika-Stiftung für Kunst- und Kulturförderung, Karlsruhe. In addition, he is a member of the Board of Deutsch-Finnische Gesellschaft Baden-Württemberg e.V., Tübingen.

Supervisory Board

The members of the Supervisory Board of init SE are:

Name, place of residence, function	Other functions and board appointments
Andreas Thun, Wandlitz Member and Chairperson	Sole shareholder and general manager of Landsensor GmbH
Dipl.-Ing. Ulrich Sieg, Jork, Deputy Chairperson	Consulting engineer specialised in the field of public transport Member of the Advisory Board of HanseCom Public Transport Ticketing Solutions-GmbH, Hamburg Member of the Supervisory Board of SECURITAS Holding GmbH, Düsseldorf Member of the Executive Board of the VDV Foundation for Young Leaders
Prof. Michaela Dickgießer, Karlsruhe, member of the board	Head of Business Development, MRH Trowe AG Holding Music Professor at Hochschule für Musik Karlsruhe
Dipl.-Ing. (FH), M.A. Christina Greschner, Karlsruhe Member	Member of the Supervisory Board and shareholder of init SE
Dr. Johannes Haupt, Ettlingen, Member	Business consultant / shareholder and Chairman of the Advisory Board of Regionique Produktfabrik GmbH, Ettlingen Chairman of the Supervisory Board and Chair of the Family Council of Lenze SE, Aerzen Member of the Advisory Board of ACO Group SE, Büdelsdorf

40. Disclosure of the compensation of key management personnel

The remuneration of key management personnel in the group that is subject to mandatory disclosure relates to the remuneration of the members of the Managing Board and Supervisory Board.

Total remuneration of the Managing Board came to EUR 4,203k in the reporting year (previous year: EUR 4,764k). This total breaks down into EUR 3,205k (previous year: EUR 2,642k) for short-term benefits, EUR -162k (previous year: EUR 74k) for post-employment benefits and EUR 1,159k (previous year: EUR 2,048k) for share-based payments.

The members of the Managing Board received benefits of EUR 3,205k in the reporting year that were due in the short term (previous year: EUR 2,642k). The short-term benefits include fixed remuneration components of EUR 2,227k (previous year: 2,120k), incidental benefits of EUR 124k (previous year: EUR 154k) and performance-based remuneration totalling EUR 854k (previous year: EUR 368k). The performance-based remuneration is made up of the STI. The annual bonus (STI) is a short-term, annually determined performance-based remuneration component which is granted annually in case of success. The amounts payable under the STI are determined on the basis of reaching a minimum EBIT. For more information on share-based payments (LTI), please refer to note 37.

In the previous year, a one-off capital payment of EUR 97k was made to a former member of the Managing Board.

The total remuneration of the Supervisory Board for 2025 amounted to EUR 377k (previous year: EUR 352k). The amount consists of benefits that fall due in the short term. These contain a variable component of EUR 167k (previous year: EUR 111k) that is determined on the basis of reaching a minimum EBIT. They were allocated to the members as follows:

EUR k	Fixed	Variable	Total
Andreas Thun	60	55	115
Ulrich Sieg	32	28	60
Prof. Michaela Dickgießer	36	28	64
M.A. Christina Greschner	37	28	65
Dr. Johannes Haupt	45	28	73
Total	**210**	**167**	**377**

41. Auditor

At the annual shareholders' meeting on 22 May 2025, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, was appointed as the auditor of the consolidated financial statements.

Expenses totalling EUR 613k (previous year: EUR 644k) were recognised for the group auditor, covering audits, and expenses totalling EUR 100k (previous year: EUR 142k) were recognised for other assurance services relating to sustainability reporting and disclosures in accordance with the EU Taxonomy Regulation. Additionally, expenses totalling EUR 130k were recognised for audit services, and EUR 16k for other services provided by the PWC network.

42. Declaration of compliance with the German Corporate Governance Code

The declaration of compliance for init SE was issued by the Managing Board and the Supervisory Board on 22 May 2025 and made available to the shareholders under the investor relations / corporate governance section of our website.

43. Notifications under Section 33 (1) WpHG (German Securities Trading Act)

No notifications as defined by Section 33 (1) WpHG were received in the 2025 financial year.

44. Approval of the consolidated financial statements

The consolidated financial statements and group management report of init SE compiled by the Managing Board for the year ended 31 December 2025 were approved at the meeting of the Managing Board on 16 March 2026 for issue to the Supervisory Board.

The Managing Board, Karlsruhe, 16 March 2026

Dr. Gottfried Greschner

Matthias Kühn

Dr. Marco Ferber

Jörg Munz

Martin Timmann

RESPONSIBILITY STATEMENT

We assure to the best of our knowledge and in accordance with the applicable reporting principles that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the company, and that the group management report, which is combined with the management report of init SE, provides a true and fair view 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.

Karlsruhe, 16 March 2026

The Managing Board

Dr. Gottfried Greschner

Matthias Kühn

Dr. Marco Ferber

Jörg Munz

Martin Timmann

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To init innovation in traffic systems SE, Karlsruhe

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Audit Opinions

We have audited the consolidated financial statements of init innovation in traffic systems SE, Karlsruhe, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2025 and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of init innovation in traffic systems SE, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2025. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed in the "Other Information" section of our auditor's 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 (IASB) (the IFRS Accounting Standards) as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 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 2025, and of its financial performance for the financial year from 1 January to 31 December 2025 and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

Pursuant to § 322 Abs. 3 Satz [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 group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") 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 Group 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 Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group 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 financial year from 1 January to 31 December 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

❶ Impairment of the goodwill

❷ Revenue recognition from project business

Our presentation of these key audit matters has been structured in each case as follows:

① Matter and issue

② Audit approach and findings

③ Reference to further information

Hereinafter we present the key audit matters:

❶ **Impairment of the goodwill**

① Goodwill totaling EUR 15,512 (4.98 % of total assets and 10.99 % of equity). Goodwill is subjected to an impairment test once a year or on an ad hoc basis in order to determine a possible need for amortisation. The impairment test is carried out at the level of the group of cash-generating units to which the respective goodwill is allocated. As part of the impairment test, the carrying amount of the respective cash-generating units, including goodwill, is compared with the corresponding recoverable amount. The recoverable amount is generally determined on the basis of the value in use. The measurement is generally based on the present value of future cash flows of the respective group of cash-generating units. The present value is determined using discounted cash flow models. The Group's approved medium-term planning forms the starting point, which is extrapolated using assumptions about long-term growth rates. Expectations about future market developments and assumptions about the development of macroeconomic factors are also taken into account. Discounting is carried out using the weighted average cost of capital of the respective group of cash-generating units. No need for impairment was identified as a result of the impairment test. The result of this valuation is highly dependent on the assessment of the legal representatives with regard to the future cash flows of the respective group of cash-generating units, the discount rate used, the growth rate and other assumptions and is subject to considerable uncertainty. Against this background and due to the complexity of the valuation, this matter was of particular significance in the context of our audit.

② As part of our audit, among other things, we analysed the methodology used to perform the impairment test. After comparing the future cash flows used in the calculation with the Group's approved medium-term planning, we assessed the appropriateness of the calculation, in particular by reconciling it with general and industry-specific market expectations. In addition, we assessed the appropriate consideration of the costs of Group functions. With the knowledge that even relatively small changes in the discount rate used can have a material impact on the amount of the enterprise value calculated in this way, we intensively analysed the parameters used to determine the discount rate applied and evaluated the calculation method. In order to take account of the existing forecast uncertainties, we reviewed the sensitivity analyses prepared by the Group. In doing so, we determined that the carrying amounts of the cash-generating units, including the allocated goodwill, are sufficiently covered by the discounted future cash flows, taking into account the information available. The valuation parameters and assumptions applied by the executive directors are consistent overall with our expectations and are also within the ranges that we consider to be reasonable.

③ The disclosures of the group on goodwill are contained in note 21 "Goodwill and other intangible assets" of the notes to the consolidated financial statements.

❷ **Revenue recognition from project business**

① In the company's consolidated financial statements as of December 31, 2025, revenue of EUR 329,671 thousand is reported in the income statement, of which EUR 163,061 thousand was realised over time from project business. Contract assets in the amount of EUR 37,314 thousand and contract liabilities in the amount of EUR 12,604 thousand are recognised in the balance sheet as at 31 December 2025. The init SE group generates a significant proportion of its revenues from long-term project business for local public transport providers. When revenue is recognised over a period of time, revenue is recognised on the basis of the stage of completion, which is calculated as the ratio of the actual contract costs incurred to the expected total costs. The stage of completion on the balance sheet date is determined according to the ratio of costs incurred to the expected total costs (input-based method). In view of complex production processes, revenue recognition over time requires in particular an effective internal budgeting and reporting system, including an ongoing project costing system and a functioning internal control system. Against this background, the correct application of the accounting standard for revenue recognition must be considered complex and is based in part on estimates and assumptions by the legal representatives. The matter was therefore of particular significance for our audit.

② Taking into account the knowledge that there is an increased risk of accounting misstatements due to the complexity and the estimates and assumptions to be made, we have assessed the processes and controls established by the Group for revenue recognition from customer-specific contracts. Our specific audit approach included testing controls and substantive audit procedures, in particular assessing the process for properly identifying performance obligations and classifying performance in a particular period or at a particular point in time, assessing the cost accounting system and other relevant systems used to support the accounting for customer-specific contracts, the assessment of the proper recording and allocation of direct costs and the amount and allocation of overhead surcharges, as well as the assessment of the project calculations on which the customer-specific contracts are based and the determination of the stage of completion. By consistently applying audit procedures when auditing the operating subsidiaries, we ensured that we adequately addressed the inherent audit risk associated with revenue recognition from project business across the group. We were able to satisfy ourselves that the systems, processes and controls that have been set up are appropriate and that the estimates and assumptions made by the executive directors for revenue recognition from project business are sufficiently documented and justified.

③ The disclosures of the group on revenue recognition from project business are contained in section 3 "Accounting, valuation and consolidation principles", subsection "Revenue recognition" and section 4 "Revenues" of the notes to the consolidated financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the group management report:

- the non-financial group statement to comply with §§ 315b to 315c HGB included in section „Group Sustainability Report“ of the group management report

- section "Assessement of the appropriateness and effectiveness of the RMS and ICS" of the group management report

The other information comprises further

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB
- all remaining parts of the annual report– excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report

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

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

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

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 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 control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent 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 group 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 group 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 group 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 group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group 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 fraud or error, and whether the group 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 audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 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 fraud 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 group 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 group management report, whether due to fraud 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 audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control and these arrangements and measures (systems), respectively.

- 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 group management report or, if such disclosures are inadequate, to modify our respective audit 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 IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group 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 group 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 audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

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

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

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file "INIT_KA_KLB_ESEF-2025-12-31-1-de.xbri" and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group 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 electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2025 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (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 group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

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

Group Auditor's Responsibilities for the Assurance Work on 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 § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud 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 opinion.
- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.

- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 22 May 2025. We were engaged by the Supervisory Board on 29 January 2026. We have been the group auditor of the init innovation in traffic systems SE, Karlsruhe, without interruption since the financial year 2022.

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

REFERENCE TO AN 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 group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" 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 Jürgen Schwehr.

Stuttgart, 17 March 2026

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Andrea Ehrenmann
Wirtschaftsprüferin
(German Public Auditor)

Jürgen Schwehr
Wirtschaftsprüfer
(German Public Auditor)

ASSURANCE REPORT

ASSURANCE REPORT OF THE INDEPENDENT GERMAN PUBLIC AUDITOR ON A LIMITED ASSURANCE ENGAGEMENT IN RELATION TO THE GROUP SUSTAINABILITY REPORT

To init innovation in traffic systems SE, Karlsruhe

Assurance Conclusion

We have conducted a limited assurance engagement on the group sustainability report of init innovation in traffic systems SE, Karlsruhe, (hereinafter the „Company“) included in section "Group Sustainability Report" of the group management report, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2025 (hereinafter the "Group Sustainability Report"). The Group Sustainability Report has been prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as §§ [Articles] 315b to 315c HGB [Handelsgesetzbuch: German Commercial Code] to prepare a group non-financial statement.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Group Sustainability Report is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852,, § 315c in conjunction with §§ 289c to 289e HGB to prepare a group non-financial statement as well as with the supplementary criteria presented by the executive directors of the Company. This assurance conclusion includes that no matters have come to our attention that cause us to believe:

- that the accompanying Group Sustainability Report does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information to be included in the Group Sustainability Report (hereinafter the “materiality assessment”) is not, in all material respects, in accordance with the description set out in section "Determining the relevant content for the report" of the Group Sustainability Report, or
- that the disclosures set out in section "Disclosures pursuant to Art. 8 Regulation (EU) 2020/852 (Taxonomy Regulation)" of the Group Sustainability Report do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

Basis for the Assurance Conclusion

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the "German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Report" section.

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. Our audit firm has complied with the quality management system requirements of the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) issued by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibility of the Executive Directors and the Supervisory Board for the Group Sustainability Report

The executive directors are responsible for the preparation of the Group Sustainability Report in accordance with the requirements of the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company. They are also responsible for the design, implementation and maintenance of such internal controls that they have considered necessary to enable the preparation of a Group Sustainability Report in accordance with these regulations that is free from material misstatement, whether due to fraud (i.e., manipulation of the Group Sustainability Report) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Group Sustainability Report, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the Group Sustainability Report.

Inherent Limitations in the Preparation of the Group Sustainability Report

The CSRD and the relevant German statutory and other European regulations contain wording and terms that are still subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. As such wording and terms may be interpreted differently by regulators or courts, the legal conformity of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the Group Sustainability Report.

German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Report

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Group Sustainability Report has not been prepared, in all material respects, in accordance with the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company, and to issue an assurance report that includes our assurance conclusion on the Group Sustainability Report.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- obtain an understanding of the process to prepare the Group Sustainability Report, including the materiality assessment process carried out by the Company to identify the information to be included in the Group Sustainability Report.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls. In addition, the risk of not detecting a material misstatement within value chain information from sources not under the control of the company (value chain information) is generally higher than the risk of not detecting a material misstatement of value chain information from sources under the control of the company, as both the executive directors of the Company and we, as assurance practitioners, are ordinarily subject to limitations on direct access to the sources of value chain information.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgement.

In conducting our limited assurance engagement, we have, amongst other things:

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Group Sustainability Report.
- inquired of the executive directors and relevant employees involved in the preparation of the Group Sustainability Report about the preparation process, including the materiality assessment process carried out by the company to identify the information to be included in the Group Sustainability Report, and about the internal controls relating to this process.
- evaluated the reporting policies used by the executive directors to prepare the Group Sustainability Report.
- evaluated the reasonableness of the estimates and the related disclosures provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors have been unable to obtain.
- performed analytical procedures and made inquiries in relation to selected information in the Group Sustainability Report.
- considered the presentation of the information in the Group Sustainability Report.

- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group Sustainability Report.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is solely towards the Company. We do not accept any responsibility, duty of care or liability towards third parties.

Stuttgart, 17 March 2026

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

sgd. Andrea Ehrenmann
Wirtschaftsprüferin
[German public auditor]

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This report contains future-related statements, which are based on current estimates of the company with regard to future developments. Such statements are inherently subject to risks and un-certainties, as they may be affected by factors that are neither controllable nor foreseeable by init, such as on the development of the future market environment and economic conditions, the behaviour of other market participants and government measures. If one of these uncontrollable or unforeseeable factors occurs respectively changes or the assumptions on which these statements are based prove inaccurate, actual developments and results could differ materially from the results cited explicitly or contained implicitly in these statements

Five-Year Financial Summary

of the init group (IFRS)

EURk	2025	2024	2023	2022	2021
BALANCE SHEET (31/12)					
Balance Sheet Total	311,361	313,032	260,478	245,747	216,900
Shareholders' Equity	141,154	134,312	120,566	116,555	102,624
Subscribet Capital	10,040	10,040	10,040	10,040	10,040
Equity Ratio (in %)	45.3	42.9	46.3	47.4	47.3
Debt Capital	170,207	178,720	139,912	129,192	114.276
Non-current Assets	143,641	135,067	112,608	108,065	94,368
Current Assets	167,720	177,965	147,870	137,682	122,532
Cash	25,451	23,523	27,303	40,050	28,158
INCOME STATEMENT (01/01 – 31/12)					
Revenues	329,671	265,674	210,801	191,252	176,659
Gross Profit	120,757	98,407	80,392	76,562	62,674
EBIT	32,521	24,541	21,020	21,005	17,566
EBITDA	49,232	38,737	32,255	31,205	27,413
Consolidated Net Profit	19,383	15,183	15,151	16,501	12,445
Earnings per Share (in EUR)	1.97	1.57	1.54	1.66	1.25
Dividend (in EUR)	0.80*	0.80	0.70	0.60	0.55
Special dividend (in EUR)	0.10*			0.10*	
CASH FLOW					
Cash Flow from operating activities	48,804	10,841	7,981	24,382	16,007
SHARE					
Issue Price (in EUR)	5.10	5.10	5.10	5.10	5.10
Peak Share Price (in EUR)	53.00	42.20	32.90	38.10	48.50
Bottom Share Price (in EUR)	34.50	28.40	23.80	17.00	30.40

* dividend to be proposed to the AGM 2026

init

Financial Calendar 2026

Q1

19 March

Publication Annual Report 2025
Press and Analyst Conference (virtual)

Q2

13 May

Publication Quarterly Statement 1/2026

21 May

Annual General Meeting 2026
face-to-face in Karlsruhe

Q3

13 August

Publication Half-Year
Financial Report 2026

Q4

12 November

Publication Quarterly Statement 3/2026

23-24 November

Equity Forum
(one-on-one meeting in Frankfurt)