

intershop[®]

Quarterly Statement

Q1 2025

January - March 2025

Letter to Our Stockholders

Dear stockholders and business partners,

By the end of the first three calendar months, we had achieved a positive interim result for the start of the 2025 financial year: Despite a market environment that remains economically challenging, we succeeded in taking important strategic steps in the first quarter of the year. In particular, this includes the continuous development of our technological solutions, with which we aim to support our customers in making their business processes more efficient and flexible. The first AI solutions such as the Intershop Copilot are already being used successfully by customers and show how supporting technologies can be used constructively in B2B commerce. We would like to continue on this course with further planned developments – always with a view to bring concrete added value to our customers and partners. A more automated use of technologies is also being examined perspectively and developed in pilot projects.

Intershop can also look back on a solid economic start to the year: We were able to increase our cloud revenues by 5% and the share of cloud revenues in the total revenue increased by four percentage points to 56%. In addition, the measures taken by Intershop as part of its strict cost management continue to have an impact, as do the efficiency improvements and process optimizations: total costs fell in the first three months of 2025 compared to all quarters of the previous year. This also had a positive impact on earnings: Our operating result (EBIT) is moderately positive at EUR 0.1 million and has also improved slightly compared to the same quarter of the previous year. The gross margin in the reporting period also increased by three percentage points to 48%. An important contribution to this was made by the service business, which has stabilized its margin noticeably.

Framework conditions in the new customer business remained challenging. As a consequence, both incoming cloud orders and net new ARR were still below our expectations at the end of the quarter. However, we are cautiously optimistic about the following months: We see potential in the further development of digital services and supporting AI technologies, for example, as part of our partnership with Microsoft. This enables us to drive innovation in a targeted and market-oriented manner.

We are maintaining our outlook for the 2025 fiscal year: Intershop expects a slight year-on-year increase in both incoming cloud orders and net new ARR for the whole financial year. At the same time, a slight decline in revenue of 5% to 10% due to the partner-first strategy, and therefore a fall in service revenues and a moderately positive operating result (EBIT) are forecast.

Best regards,


Markus Klahn


Petra Stappenbeck


Markus Dränert

Key Figures for the Group

in EUR thousand	Q1 2025	Q1 2024	Change
KPIs			
Cloud order entry	3,942	4,754	-17%
Net New ARR	349	614	-43%
Revenue	9,141	9,474	-4%
EBIT	73	6	++
REVENUES			
Revenues	9,141	9,474	-4%
Licenses and Maintenance	1,802	1,888	-5%
Cloud and Subscription	5,161	4,925	5%
Service Revenues	2,178	2,661	-18%
Revenues Europe	6,488	7,141	-9%
Revenues USA	1,877	1,640	14%
Revenues Asia/Pacific	776	693	12%
EARNINGS			
Cost of revenues	4,727	5,255	-10%
Gross profit	4,414	4,219	5%
Gross margin	48%	45%	
Operating expenses, operating income	4,341	4,213	3%
Research and development	1,851	1,652	12%
Sales and marketing	1,626	1,934	-16%
General and administrative	790	778	2%
Other operating income/expenses	74	(151)	n.a.
EBIT	73	6	++
EBIT-Margin	1%	0%	
EBITDA	841	783	7%
EBITDA margin	9%	8%	
Net result	(68)	(106)	36%
Earnings per share (EUR)	0.00	(0.01)	n.a.
NET ASSETS			
Shareholders' equity	10,861	11,208	-3%
Equity ratio	30%	29%	
Balance sheet total	36,422	38,205	-5%
Noncurrent assets	21,790	23,038	-5%
Current assets	14,632	15,167	-4%
Noncurrent liabilities	9,066	12,241	-26%
Current liabilities	16,495	14,756	12%
FINANCIAL POSITION			
Cash and cash equivalents	7,789	8,889	-12%
Net cash operating activities	(143)	(199)	-28%
Depreciation and amortization	767	777	-1%
Net cash used in investing activities	(256)	(399)	-36%
Net cash provided by financing activities	(458)	(508)	-10%
EMPLOYEES	262	293	-11%

Business development

Business performance during the first three months of 2025

In the first quarter of 2025, the Intershop Group recorded a revenue of EUR 9.1 million, which corresponds to 4% decline compared to the same period of the previous year (previous year: EUR 9.5 million). Earnings before interest and taxes (EBIT), amounting to EUR 0.1 million, were once again moderately positive, after EUR 6 thousand in the first quarter of the previous year.

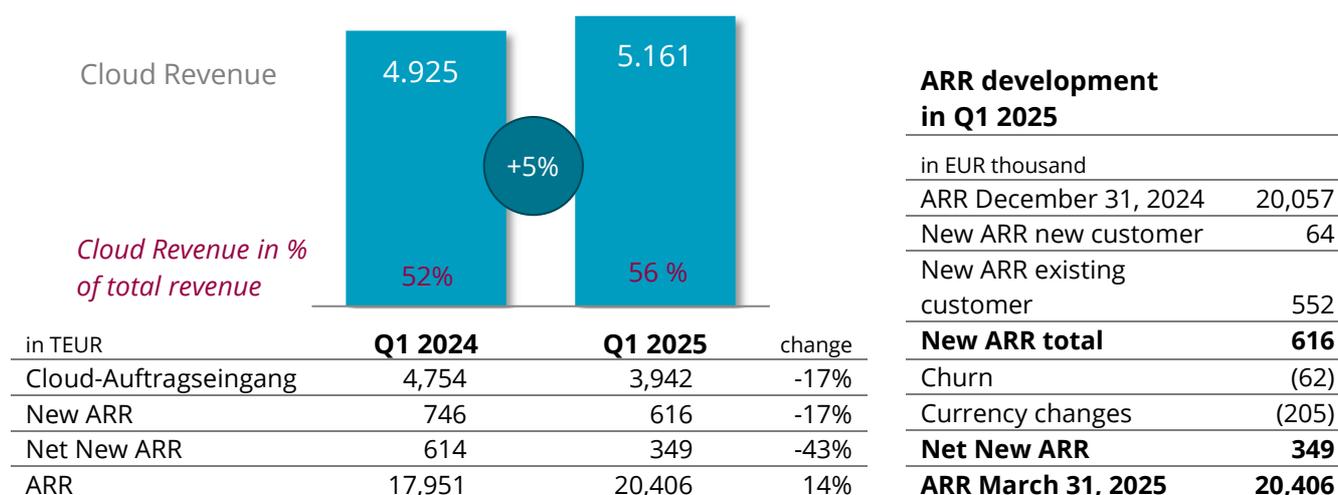
The Group's most important financial key figures (KPIs) are shown in the overview below.

in EUR thousand	Q1 2025	Q1 2024	Change
Cloud Order Entry	3,942	4,754	-17%
Net New ARR	349	614	-43%
Revenue	9,141	9,474	-4%
EBIT	73	6	++

Restrained cloud momentum during the first quarter: revenue increases, margin remains stable, incoming orders still declining

EUR 5.2 million was posted in the first quarter of 2025 for revenues from the cloud business, corresponding to a growth rate of 5% (previous year: EUR 4.9 million). The share of cloud revenue in the total revenue also increased by four percentage points to 56% (previous year: 52%). The cloud margin remained at the previous year's level of 64%. Incoming cloud orders were down 17% in the first quarter of 2025 compared to the first quarter of the previous year and amounted to EUR 3.9 million (previous year: EUR 4.8 million). The reduction is due in particular to the continued restrained order placement in new customer business in the context of a persistently challenging macroeconomic environment. In total, two new customers accounted for EUR 0.5 million in incoming orders in the first three months of 2025 and existing customers accounted for EUR 3.4 million. Annual recurring revenue (ARR) reached EUR 20.4 million at the end of the first quarter of 2025, which corresponds to an increase of 14% (previous year: EUR 18.0 million). The new ARR declined by 17% to EUR 0.6 million. Net new ARR (new ARR less cancellations and currency translation differences) was down 43% in the first quarter of 2025 to EUR 0.3 million (previous year: EUR 0.6 million). In addition to the restrained new customer business, the reduction was also impacted by a high negative currency effect. Adjusted for currency effects, new ARR declined 10%.

Cloud Business Development



Earnings Position

The development of the key earnings figures of the Group is shown in the overview below:

in EUR thousand	Q1 2025	Q1 2024	Change
Revenues	9,141	9,474	-4%
Cost of revenues	4,727	5,255	-10%
Gross margin	48%	45%	
Operating expenses, operating income	4,341	4,213	3%
EBIT	73	6	++
EBIT margin	1%	0%	
EBITDA	841	783	7%
EBITDA margin	9%	8%	
Earnings after tax	(68)	(106)	36%

In the first quarter of 2025, the Intershop Group generated **revenues** of EUR 9.1 million, which corresponds to a decline of 4% compared to the same period of the previous year (previous year: EUR 9.5 million). Revenues within the core group **Software and Cloud** rose by 2% to EUR 7.0 million (previous year: EUR 6.8 million), which corresponds to a share of 76% of total revenues. This core group comprises the Licenses and Maintenance segment as well as the Cloud and Subscription segment. As expected, revenues from the **Licenses and Maintenance** business fell by 5% to EUR 1.8 million (previous year: EUR 1.9 million), whereas the Intershop Group continued its growth in the **Cloud and Subscription** segment and recorded an increase of 5% to EUR 5.2 million in this area (previous year: EUR 4.9 million). **Service revenues** declined as planned due to the strategy adjustment. Revenues in this segment in the first quarter of 2025 amounted to EUR 2.2 million, which was 18% less than the value for the previous year (previous year: EUR 2.7 million). The main reason for this is the shift of new projects to Intershop's partner network as part of the partner-first strategy initiated by Intershop. This improves Intershop's risk profile and enables greater scalability and creates new growth opportunities through the targeted expansion of the partner network.

The following overview shows the development of revenues:

in EUR thousand	Q1 2025	Q1 2024	Change
Software and Cloud Revenues	6,963	6,813	2%
Licenses and Maintenance	1,802	1,888	-5%
Licenses	75	113	-34%
Maintenance	1,727	1,775	-3%
Cloud and Subscription	5,161	4,925	5%
Service Revenue	2,178	2,661	-18%
Revenue total	9,141	9,474	-4%

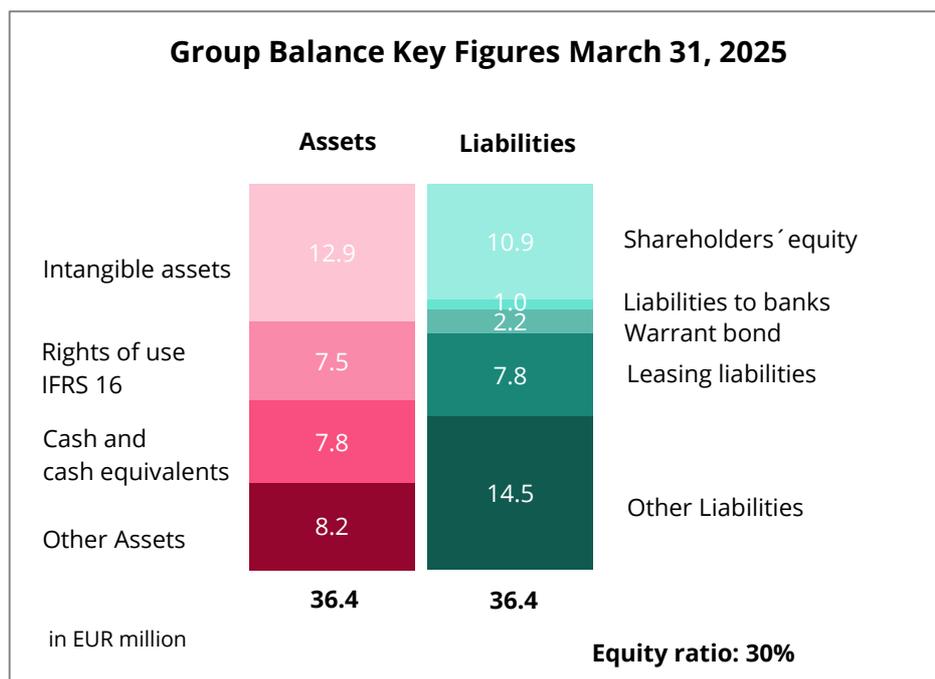
Europe remains the predominant sales region for Intershop. In the first three months of 2025, the Intershop Group recorded a 9% fall in revenue and generated sales of EUR 6.5 million (previous year: EUR 7.1 million). European customers accounted for 71% (previous year: 75%) of total revenue. However, Intershop recorded revenue growth of 14% to EUR 1.9 million in the US market (previous year: EUR 1.6 million). This corresponds to a share of 21% of total revenue (previous year: 17%). Intershop also recorded revenue growth of 12% to EUR 0.8 million in the Asia-Pacific region (previous year: EUR 0.7 million), which represents 8% of total revenue.

Gross profit increased by 5% to EUR 4.4 million in the reporting period (previous year: EUR 4.2 million). The gross margin increased by three percentage points to 48%. This is due in particular to the stabilization in the service business. Following the successful acceptance of two out of three major projects which had a significant negative impact on earnings last year, the service margin has stabilized positively. Operating expenses and income increased by 3% to EUR 4.3 million (previous year: EUR 4.2 million). Research and development costs increased by 12% to EUR 1.9 million (previous year: EUR 1.7 million). Sales and marketing expenses amounted to EUR 1.6 million, down 16% on the previous year's figure (previous year: EUR 1.9 million). With EUR 0.8 million, general administrative costs remained stable. The total costs, including sales costs and operating expenses/income, decreased by 4% to EUR 9.1 million (previous year: EUR 9.5 million). In terms of operating income (EBIT), Intershop again recorded a positive figure of EUR 0.1 million in the first three months of 2025, a further year-on-year improvement (previous year: EUR 6 thousand). The earnings before interest, tax, depreciation and amortization (EBITDA) amounted to EUR 0.8 million, as in the previous year. The EBITDA margin rose by one percentage point to 9% year-on-year. The result for the period (earnings after taxes), at EUR -0.1 million, remained at the level of the previous year.

Net Asset and Financial Position

As of the interim reporting date of March 31, 2025, the **balance sheet total** of the Intershop Group amounted to EUR 36.4 million, 3% below the figure at the end of 2024. On the **assets side**, non-current assets decreased by 4% to around EUR 21.8 million, in particular due to the decrease in trade receivables as part of the reclassification of non-current trade receivables to current, as well as a decrease in right-of-use assets pursuant to IFRS 16 through scheduled amortization. At EUR 14.6 million, current financial assets remained stable. A decline in cash and cash equivalents of 10% to EUR 7.8 million (December 31, 2024: EUR 8.7 million) countered a 14% increase in current trade receivables to EUR 5.5 million. At the same time, other receivables and assets increased to EUR 1.4 million (December 31, 2024: EUR 1.1 million). On the **liabilities side**, equity fell slightly to EUR 10.9 million (December 31, 2024: EUR 11.0 million). The equity ratio of 30% was slightly above the comparative figure at the end of 2024 (December 31, 2024: 29%).

Non-current liabilities fell by 4% to EUR 9.1 million. Current liabilities decreased by 3% to EUR 16.5 million (December 31, 2024: EUR 17.0 million), which is primarily due to a reduction in trade payables and other current liabilities.



In the first three months of the year, cash flows from operating activities amounted to EUR -0.1 million compared to EUR -0.2 million in the prior-year period. Cash outflows from capital expenditure amounted to EUR 0.3 million, compared with EUR 0.4 million in the prior-year period. Cash outflows from capital expenditure remained on a par with the previous year at EUR 0.5 million. Overall, cash and cash equivalents fell by EUR 0.9 million to EUR 7.8 million at the end of the first quarter of 2025 compared to the end of 2024.

Employees

As of March 31, 2025, the Intershop Group had 262 full-time employees worldwide. Compared to the reporting date of December 31, 2024, this constitutes an increase of one employee, although it represents a reduction of 31 employees compared to the same quarter the previous year. The following overview shows the breakdown of full-time employees by business unit.

Employees by department*	March 31, 2025	Dec. 31, 2024	March 31, 2024
Technical Departments (Service functions, Research and Development)	203	201	223
Sales and Marketing	35	36	44
General and administrative	24	24	26
	262	261	293

*based on full time staff, including students and trainees

As at March 31, 2025, 226 employees were employed in Europe, which amounts to 86% of the workforce. There were 21 employees (8%) in the Asia-Pacific region and 15 employees (6%) in the US.

Outlook

According to the latest forecasts from April, the IMF expects global economic growth to remain subdued at 2.8% in 2025, with regional differences in momentum. According to forecasts, the expected growth rate in industrialized countries in 2025 is 1.4%. Projections predict that the growth rate in the Eurozone will decrease from 0.9% in 2024 to 0.8% in 2025. The IMF is once again forecasting no economic growth for Germany in 2025 (0.0%). In its January outlook, analyst company Gartner anticipates global IT expenditure of approximately USD 5.6 trillion in 2025. That would correspond to a 9.8% increase compared to 2024. Accordingly, capital expenditure on IT services is expected to exceed capital expenditure on communication services once again. IT services are expected to continue to account for the largest share of IT expenditure in 2025: Here, Gartner forecasts a total expenditure of USD 1.7 trillion, which would correspond to an increase of 9.0%. According to Gartner, artificial intelligence, especially generative AI, will continue to be a major driving force for investment. However, a significant portion of the expected growth is also due to price increases.

After a solid start to the 2025 financial year with a further improved operating result (EBIT), a higher gross margin and increased profitability in the context of the stabilized service business, Intershop is optimistic about the year as a whole. We are systematically developing our range of solutions to provide our customers with practical and future-oriented tools in an increasingly digital market environment. A particular focus here is the constructive integration of new technologies. Our AI-based applications are being further developed step by step, closely aligned to the needs of our customers. Solutions such as the Intershop Copilot show that intelligent assistance systems can already be used profitably today – and also offer room for further potential. In cooperation with Microsoft, we are driving these developments forward in a targeted but measured manner. While existing customers are already benefiting from our solutions, the general market environment remains challenging. There continues to be a noticeable reluctance to expend capital, particularly with regard to new customer business.

Against this backdrop, Intershop continues to expect a slight increase in incoming cloud orders as well as in net new ARR for the 2025 fiscal year, compared to the previous year. At the same time, a slight decline in revenue of 5 % to 10% due to the partner-first strategy, and therefore the associated fall in service revenues, and a moderately positive operating result (EBIT) are forecast.

Jena, April 28, 2025

The Management Board of INTERSHOP Communications Aktiengesellschaft


Markus Klahn


Petra Stappenbeck


Markus Dränert

Consolidated Balance Sheet

in EUR thousand	March 31, 2025	December 31, 2024
ASSETS		
Noncurrent assets		
Intangible assets	12,917	13,059
Property, plant and equipment	262	288
Rights of use IFRS 16	7,518	7,861
Trade receivables	340	764
Other noncurrent assets	409	475
Restricted cash	241	244
Deferred tax assets	103	106
	21,790	22,797
Current assets		
Trade receivables	5,483	4,802
Other receivables and other assets	1,360	1,141
Cash and cash equivalents	7,789	8,695
	14,632	14,638
TOTAL ASSETS	36,422	37,435
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Subscribed capital	14,582	14,582
Capital reserve	3,030	3,030
Other reserves	(6,751)	(6,631)
	10,861	10,981
Noncurrent liabilities		
Liabilities to bank	497	622
Leasing liabilities IFRS 16	6,610	6,889
Other noncurrent liabilities	1,959	1,922
	9,066	9,433
Current liabilities		
Other current provisions	367	388
Warrant Bond	2,246	2,259
Liabilities to banks	497	497
Trade accounts payable	1,735	2,484
Contract liabilities	7,724	7,038
Income tax liabilities	60	16
Leasing liabilities IFRS 16	1,216	1,270
Other current liabilities	2,650	3,069
	16,495	17,021
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	36,422	37,435

Consolidated Statement of Comprehensive Income

in EUR thousand	Three months ended March 31,	
	2025	2024
Revenues		
Software and Cloud Revenues	6,963	6,813
Service Revenues	2,178	2,661
	9,141	9,474
Cost of revenues		
Cost of revenues - Software and Cloud	(2,879)	(2,762)
Cost of revenues - Services	(1,848)	(2,493)
	(4,727)	(5,255)
Gross profit	4,414	4,219
Operating expenses, operating income		
Research and development	(1,851)	(1,652)
Sales and marketing	(1,626)	(1,934)
General and administrative	(790)	(778)
Other operating income	61	158
Other operating expenses	(135)	(7)
	(4,341)	(4,213)
Result from operating activities	73	6
Interest income	27	33
Interest expense	(119)	(126)
Financial result	(92)	(93)
Earnings before tax	(19)	(87)
Income taxes	(49)	(19)
Earnings after tax	(68)	(106)
Other comprehensive income:		
Exchange differences on translating foreign operations	(52)	(54)
Other comprehensive income from exchange differences	(52)	(54)
Total comprehensive income	(120)	(160)
Earnings per share (EUR, basic, diluted)	0.00	(0.01)

Consolidated Statement of Cash Flows

in EUR thousand	Three months ended March 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Earnings before tax	(19)	(87)
<i>Adjustments to reconcile net profit/loss to cash used in operating activities</i>		
Financial result	92	93
Depreciation and amortization	767	777
<i>Changes in operating assets and liabilities</i>		
Accounts receivable	(310)	(981)
Other assets	(150)	(471)
Liabilities and provisions	(1,126)	(397)
Contract liabilities	714	955
Net cash provided by (used in) operating activities before income tax and interest	(32)	(111)
Interest received	27	33
Interest paid	(90)	(93)
Income taxes paid	(48)	(28)
Net cash provided by (used in) operating activities	(143)	(199)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for investments in intangible assets	(235)	(367)
Purchases of property and equipment	(21)	(32)
Net cash provided by (used in) investing activities	(256)	(399)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of loans	(124)	(124)
Payments for leasing liabilities	(334)	(384)
Net cash provided by (used in) financing activities	(458)	(508)
Effect of change in exchange rates	(49)	(52)
Net change in cash and cash equivalents	(906)	(1,158)
Cash and cash equivalents, beginning of period	8,695	10,047
Cash and cash equivalents, end of period	7,789	8,889

Consolidated Statement of Shareholders' Equity

in EUR thousand				Other reserves			Total shareholders' equity
Common shares (Number shares)	Subscribed capital	Capital reserve	Conversion reserve	Cumulative profit/ loss	Cumulative currency differences		
Balance, January 1, 2025	14,582,291	14,582	3,030	(93)	(8,379)	1,841	10,981
Total comprehensive income					(68)	(52)	(120)
Balance, March 31, 2025	14,582,291	14,582	3,030	(93)	(8,447)	1,789	10,861
Balance, January 1, 2024	14,582,291	14,582	3,030	(93)	(8,026)	1,875	11,368
Total comprehensive income					(106)	(54)	(160)
Balance, March 31, 2024	14,582,291	14,582	3,030	(93)	(8,132)	1,821	11,208

Intershop-Shares

Stock Market Data on Intershop Shares	
ISIN	DE000A254211
WKN	A25421
Stock market symbol	ISHA
Admission segment	Prime standard/ Regulated market
Sector	Software
Membership of Deutsche Börse indices	CDAX, Prime All Share, Technology All Share

intershop[®]

Investor Relations Contact

INTERSHOP Communications AG

Steinweg 10

D-07743 Jena

Phone +49 3641 50 1000

E-Mail ir@intershop.com

www.intershop.com