



# GREEN WORKFLOW BY DESIGN

Report on the 1<sup>st</sup> Quarter of 2021

PSI 

**PSI Group Data as per 31 March 2021 at a Glance (IFRS)**

	01/01-31/03/21 in KEUR	01/01-31/03/20 in KEUR	Change in KEUR	Change in %
Revenues	56,138	50,888	+5,250	+10.3
Operating Result	4,351	2,459	+1,892	+76.9
Result before income taxes	4,236	2,033	+2,203	+108.4
Net result	3,139	1,512	+1,627	+107.6
Cash and cash equivalents	54,111	42,723	+11,388	+26.7
Employees on 31 March	2,086	2,005	+81	+4.0
Revenue/Employee	26.9	25.4	+1.5	+6.0

# Interim Management Report

## Business Development

### Earnings

The PSI Group increased new orders by 9.4% to 105 million euros in the first quarter (31 March 2020: 96 million euros) and therefore booked more than one-hundred million euros in new orders in one quarter for the first time. The volume of orders on 31 March 2021 was, with 197 million euros, 5.4% over the figure of the previous year (31 March 2020: 187 million euros). Group sales improved by 10.3% to 56.1 million euros (31 March 2020: 50.9 million euros), with Production Management being primarily responsible for the growth after having been particularly hard hit by the Covid 19 pandemic last year. The EBIT leapt by 77% to 4.35 million euros (31 March 2020: 2.46 million euros), the group net result more than doubled to 3.1 million euros (31 March 2020: 1.5 million euros).

Energy Management (energy grids, energy trading, public transport) achieved one-percent higher sales of 29.1 million euros (31 March 2020: 28.8 million euros) and a 42% higher EBIT of 1.7 million euros (31.3.2020: 1.2 million euros) in the first quarter. The grid business won major contracts from large existing distribution grid and rail electricity customers. The positive trend in public transport continued with additional contracts for electric bus depots; new orders stabilized at the Malaysian subsidiary PSI Incontrol.

Sales in Production Management (metals production, industry, logistics) in the first three months were, at 27.0 million euros, 22% above the previous year (31 March 2020: 22.1 million euros). The business segment, whose products are completely based on the group platform, doubled its EBIT to 3.0 million euros (31 March 2020: 1.5 million euros), although the target markets of the metals and automotive industries still struggled with the impacts of the corona crisis during the reporting period. The metals business won another major contract in the USA and contributed significantly to sales and earnings. The automotive segment also returned to growth following a drop in the previous year's first quarter. Especially in logistics and in Poland, PSI invested in the cloud-based partner business and is seeing a further increase in demand.

## **Financial Position**

The cash flow from current operations was, at 12.1 million, 41% above the value for the same quarter of the previous year (31 March 2020: 8.6 million euros). The cash and cash equivalents of 54.1 million euros (31 March 2020: 42.7 million euros) will be used for the recommended dividend and seasonal sales financing. Following the acquisition of the Prognos Energy GmbH and the NEPLAN AG last year, PSI is examining additional acquisitions in the core business.

## **Assets**

Compared to 31 December 2020, there have not been any material changes in the Group's assets.

## **Personnel Development**

The number of employees in the group increased to 2,086 (31 March 2020: 2,005) as a result of targeted hiring.

## **PSI-Shares**

The PSI stock ended the 1<sup>st</sup> quarter of 2021 with a final price of 26.80 euros 9.8% above the final 2020 price of 24.40 euros. In the same period, the technology index TecDAX recorded an increase of 5.7%.

## **Risk Report**

The estimate of the corporate risk has not changed since the Annual Report for 31 December 2020.

## Outlook

PSI further accelerated investments in the rollout of the app-store and B2B multi-cloud technology in the first quarter. This will make it possible to deliver more and more PSI platform products not only in the PSI Cloud, but also in the more than 100 various private clouds of group customers. After delivery, the software products are adapted to the customer's operations by the customer's IT department and specialist departments, by partners and PSI consultants at runtime using intuitive workflow and dialog design tools, and then rolled out across all workstations and technical systems.

The demand from the steel and automotive industries is reviving from a low level, but remains behind the stable demand in the energy segment, which is marked by the ongoing electrification trend and the redispatch boom of the power distribution grids.

For the second quarter, PSI expects a continuation of the increasing results, especially in Energy Management and a high level of new orders in Production Management. The PSI Board remains confident of achieving its annual earnings goal of more than 20 million euros for the EBIT. This includes more than 30 million euros in expenses for energy and transport transition functionality and for the cloud and web rollout of the group platform.

# Group Balance Sheet

from 1 January 2021 until 31 March 2021 according to IFRS

	3 Month Report 01/01-31/03/21 KEUR	Annual Report 01/01-31/12/20 KEUR
<b>Assets</b>		
<b>Non current assets</b>		
Property, plant and equipment	38,036	38,928
Intangible assets	70,043	70,199
Investments in associates	440	440
Deferred tax assets	14,121	15,208
	<b>122,640</b>	<b>124,775</b>
<b>Current assets</b>		
Inventories	10,378	8,661
Trade accounts receivable, net	38,420	29,209
Receivables from long-term development contracts	49,349	47,705
Other current assets	12,365	8,567
Cash and cash equivalents	54,111	40,482
	<b>164,623</b>	<b>134,624</b>
<b>Total assets</b>	<b>287,263</b>	<b>259,399</b>
<b>Total Equity and Liabilities</b>		
<b>Equity</b>		
Subscribed capital	40,185	40,185
Capital reserves	35,137	35,137
Reserve for own stock	80	80
Other reserves	-25,702	-26,033
Net retained profits	54,093	50,954
	<b>103,793</b>	<b>100,323</b>
<b>Non-current liabilities</b>		
Pension provisions and similar obligations	55,932	56,416
Deferred tax liabilities	8,332	8,726
Other liabilities	2,779	2,555
Liabilities from leases	18,605	19,132
Long-term financial liabilities	4,446	168
	<b>90,094</b>	<b>86,997</b>
<b>Current liabilities</b>		
Trade payables	17,195	17,977
Other liabilities	54,877	34,609
Liabilities from long-term development contracts	15,951	13,930
Liabilities from leases	5,247	5,498
Short-term financial liabilities	106	65
	<b>93,376</b>	<b>72,079</b>
<b>Total equity and liabilities</b>	<b>287,263</b>	<b>259,399</b>

# Group Income Statement

from 1 January 2021 until 31 March 2021 according to IFRS

	3 Month Report 01/01-31/03/21 KEUR	3 Month Report 01/01-31/03/20 KEUR
Sales revenues	56,138	50,888
Other operating income	2,835	1,916
Cost of materials	-4,598	-7,438
Personnel expenses	-39,487	-34,071
Depreciation and amortization	-2,993	-2,822
Other operating expenses	-7,544	-6,014
<b>Operating result</b>	<b>4,351</b>	<b>2,459</b>
Net finance result	-115	-426
<b>Result before income taxes</b>	<b>4,236</b>	<b>2,033</b>
Income tax	-1,097	-521
<b>Net result</b>	<b>3,139</b>	<b>1,512</b>
Earnings per share (in Euro per share, basic)	0.20	0.10
Earnings per share (in Euro per share, diluted)	0.20	0.10
Weighted average shares outstanding (basic)	15,679,838	15,678,985
Weighted average shares outstanding (diluted)	15,679,838	15,678,985

# Group comprehensive Income Statement

from 1 January 2021 until 31 March 2021 according to IFRS

	3 Month Report 01/01-31/03/21 KEUR	3 Month Report 01/01-31/03/20 KEUR
<b>Net result</b>	<b>3,139</b>	<b>1,512</b>
Currency translation foreign operations	331	-431
Net losses from cash flows hedges	0	0
Income tax effects	0	0
<b>Group comprehensive result</b>	<b>3,470</b>	<b>1,081</b>

# Group Cash Flow Statement

from 1 January 2021 until 31 March 2021 according to IFRS

	3 Month Report 01/01-31/03/21 KEUR	3 Month Report 01/01-31/03/20 KEUR
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>		
<b>Result before income taxes</b>	<b>4,236</b>	<b>2,033</b>
<b>Adjustments for non-cash expenses</b>		
Amortisation on intangible assets	642	582
Depreciation of property, plant and equipment	872	858
Depreciation of right-of-use assets under leases (IFRS 16)	1,479	1,383
Interest income	-8	-24
Interest expenses	186	284
	<b>7,407</b>	<b>5,116</b>
<b>Changes of working capital</b>		
Inventories	-1,804	-462
Trade receivables and receivables from long-term development contracts	-11,404	-2,985
Other current assets	-4,194	-3,514
Provisions	-575	-614
Trade payables	-1,285	633
Other current liabilities	24,114	10,501
	<b>12,259</b>	<b>8,675</b>
Interest paid	-10	-32
Income taxes paid	-199	-56
<b>Cash flow from operating activities</b>	<b>12,050</b>	<b>8,587</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>		
Additions to intangible assets	-413	-675
Additions to property, plant and equipment	-814	-417
Interest received	8	24
<b>Cash flow from investing activities</b>	<b>-1,219</b>	<b>-1,068</b>
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/repayments from/of borrowings	4,319	-683
Payments for the principal portion of lease liabilities (IFRS 16)	-1,463	-1,336
Interest paid in connection with leases (IFRS 16)	-109	-129
Outflows for share buybacks	0	-91
<b>Cash flow from financing activities</b>	<b>2,747</b>	<b>-2,239</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		
<b>Changes in cash and cash equivalents</b>	<b>13,578</b>	<b>5,280</b>
Valuation-related changes in cash and cash equivalents	51	-1,213
Cash and cash equivalents at beginning of the period	40,482	38,656
Cash and cash equivalents at the end of the period	54,111	42,723



# Statement of Changes in Equity

from 1 January 2021 until 31 March 2021 according to IFRS

	Number of shares issued	Share capital	Additional paid-in capital	Reserve for treasury stock	Other reserves	Accumulated results	Total
	Number	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
<b>As of 1 January 2021</b>	15,679,838	40,185	35,137	80	-26,033	50,954	100,323
Group comprehensive result after tax					331	3,139	3,470
<b>As of 31 March 2021</b>	15,679,838	40,185	35,137	80	-25,702	54,093	103,793

## Shares held by Management Board and Supervisory Board as of 31 March 2021

	Shares on 31 March 2021	Shares on 31 March 2020
<b>Management Board</b>		
Harald Fuchs	7,023	7,023
Dr. Harald Schrimpf	62,000	62,000
<b>Supervisory Board</b>		
Andreas Böwing	0	0
Elena Günzler	1,976	1,962
Prof. Dr. Uwe Hack	600	600
Prof. Dr. Wilhelm Jaroni	0	0
Uwe Seidel	447	433
Karsten Trippel	111,322	111,322

## Remuneration for the Management Board and Supervisory Board

The remuneration system for the Management Board is described in detail in the Remuneration Report as of 31 December 2020.

	Fixed remuneration KEUR	Variable remuneration KEUR	Long-term remuneration KEUR	Total remuneration KEUR
Harald Fuchs	79	25	44	148
Dr. Harald Schrimpf	116	50	90	256
<b>Total</b>	<b>195</b>	<b>75</b>	<b>134</b>	<b>404</b>

As the Supervisory Board payments for the current year are made in the 4<sup>th</sup> quarter, the Supervisory Board did not obtain any remuneration in the first three months of 2021.

# Notes on the consolidated financial statements as of 31 March 2021

## The Company

### 1. Business Activities and Legal Background

The business activities of PSI Software AG and its subsidiaries relate to the development and sale of software systems and products fulfilling the specific needs and requirements of its customers, particularly in the following industries and service lines: utilities, manufacturing, logistics and transportation. In addition, the Group provides services of all kinds in the field of data processing, sells electronic devices and operates data processing systems.

The PSI Group is divided into the core business segments energy management and production management. The company is listed in the Prime Standard segment of the Frankfurt stock exchange.

The company is exposed to a wide range of risks that are similar to other companies active in the dynamic technology sector. Major risks for the development of the PSI Group lie in the success with which it markets its software systems and products, competition from larger companies, the ability to generate sufficient cash flows for future business development as well as in individual risks regarding the integration of subsidiaries, organisational changes and the cooperation with strategic partners.

The condensed interim consolidated financial statements for the period from 1 January 2021 to 31 March 2021 were released for publication by a decision of the management on 26 April 2021.

The condensed interim consolidated financial statements for the period from 1 January 2021 to 31 March 2021 were produced in compliance with IAS 34 "Interim Financial Reporting". The condensed interim consolidated financial statements do not contain all the data and notes prescribed for the annual financial statements and should be read in conjunction with the consolidated financial statements for 31 December 2020.

## 2. Accounting and Valuation Principles

With regard to the principles of accounting and valuation and especially the application of International Financial Reporting Standards (IFRS) see the group consolidated financial statements for the financial year 2020.

## 3. Seasonal Influences on the Business Activities

Seasonal effects resulted in the PSI Group operations with regards to the receipt of maintenance revenues in the first quarter of the financial year (deferment of the influences on the result of corresponding incoming payments throughout the year) and significantly greater demand and project accounting in the fourth quarter of the financial year.

## 4. Changes in the Consolidation Group

Compared to 31 December 2020 there were no changes in the consolidation group.

## 5. Selected Individual Items

### Cash and cash equivalents

	31 March 2021	31 December 2020
	KEUR	KEUR
Bank balances	52,408	39,327
Fixed term deposits	1,677	1,133
Cash	26	22
	<b>54,111</b>	<b>40,482</b>

### Costs and estimated earnings in excess of billings on uncompleted contracts

Costs and estimated earnings in excess of billings on uncompleted contracts arise when revenues have been recorded but the amounts cannot be billed under the terms of the contracts. Such amounts are recoverable from customers upon various measures of performance, including achievement of certain milestones, completion of specified units or completion of the contract. Costs and estimated earnings contain directly allocable costs (labour cost and cost of services provided by third parties) as well as the appropriate portion of overheads including pro rata administrative expenses.

Costs and estimated earnings on uncompleted contracts and related amounts are billed as follows:

	31 March 2021 KEUR	31 December 2020 KEUR
Receivables from long-term development contracts (gross)	145,386	135,835
Payments on account	-96,036	-88,130
<b>Receivables from long-term development contracts</b>	<b>49,350</b>	<b>47,705</b>
Payments on account (gross)	111,987	102,060
Set off against contract revenue	-96,036	-88,130
<b>Liabilities from long-term development contracts</b>	<b>15,951</b>	<b>13,930</b>

### Sales revenues

The sales revenues reported in the group income statement break down as follows:

	31 March 2021 KEUR	31 March 2020 KEUR
Software development	27,781	25,192
Maintenance	20,955	20,079
License fees	5,177	1,817
Merchandise	2,225	3,800
	<b>56,138</b>	<b>50,888</b>

### Taxes on income

The main components of the income tax expenditure shown in the group income statement are added as follows:

	31 March 2021 KEUR	31 March 2020 KEUR
<b>Effective taxes expenses</b>		
Effective tax expenses	-404	-245
<b>Deferred taxes</b>		
Emergence and reversal of temporary differences	-693	-276
<b>Tax expenses</b>	<b>-1,097</b>	<b>-521</b>

## Segment Reporting

The development of the segment results can be found in the Group segment reporting.

### Segments of the PSI Group:

- Energy management: Intelligent solutions for network operators in the fields of electricity, gas, district heating and pipelines as well as for public transport. Focal points are reliable and economically sound control system solutions for intelligent energy grid management and the safe operation of traffic infrastructures as well as trade and sales management in the liberalised energy market.
- Production Management: Software products and solutions for production planning, optimization and control as well as efficient logistics. Focuses are the optimization of the use of resources and the increase of efficiency, quality and profitability.

## Group Segment Reporting

from 1 January 2021 until 31 March 2021 according to IFRS

	Energy Management		Production Management		Reconciliation		PSI Group	
	31/03/2021 TEUR	31/03/2020 TEUR	31/03/2021 TEUR	31/03/2020 TEUR	31/03/2021 TEUR	31/03/2020 TEUR	31/03/2021 TEUR	31/03/2020 TEUR
<b>Sales revenues</b>								
Sales to external customers	29.097	28.762	27.041	22.126	0	0	56.138	50.888
Inter-segment sales	822	681	3.771	3.054	-4.593	-3.735	0	0
<b>Segment revenues</b>	<b>29.919</b>	<b>29.443</b>	<b>30.812</b>	<b>25.180</b>	<b>-4.593</b>	<b>-3.735</b>	<b>56.138</b>	<b>50.888</b>
<b>Operating result before interest, tax, depreciation and amortisation</b>	<b>3.217</b>	<b>2.545</b>	<b>4.368</b>	<b>2.904</b>	<b>-241</b>	<b>-167</b>	<b>7.344</b>	<b>5.282</b>
<b>Operating result before depreciation and amortisation resulting from purchase price allocation</b>	<b>1.815</b>	<b>1.225</b>	<b>2.987</b>	<b>1.602</b>	<b>-265</b>	<b>-181</b>	<b>4.537</b>	<b>2.646</b>
Depreciation and amortisation resulting from purchase price allocation	-165	-64	-21	-123	0	0	-186	-187
<b>Operating result</b>	<b>1.650</b>	<b>1.161</b>	<b>2.966</b>	<b>1.479</b>	<b>-265</b>	<b>-181</b>	<b>4.351</b>	<b>2.459</b>
Net finance result	-72	-362	-43	-43	0	-21	-115	-426
<b>Result before income taxes</b>	<b>1.578</b>	<b>799</b>	<b>2.923</b>	<b>1.436</b>	<b>-265</b>	<b>-202</b>	<b>4.236</b>	<b>2.033</b>

## **Responsibility Statement**

To the best of our knowledge, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the group's development and performance of its position, together with a description of the principal opportunities and risks associated with the expected development of the group in the remaining months of the financial year, in accordance with proper accounting principles of interim consolidated reporting.

## **Financial Calendar**

24 March 2021	Publication of Annual Result 2020
24 March 2021	Analyst Conference
28 April 2021	Report on the 1 <sup>st</sup> Quarter of 2021
19 May 2021	Annual General Meeting (virtual Meeting)
28 July 2021	Report on the 1 <sup>st</sup> Six Months of 2021
29 October 2021	Report on the 3rd Quarter of 2021
22 to 24 November 2021	German Equity Forum, Analyst Presentation

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For the latest IR information, please visit our website at [www.psi.de/ir](http://www.psi.de/ir).

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